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THE INDEPENDENT

Friday 29 May 1998 45p (IR 50p) No 3,623

CBI chief in attack on labour reforms

By Michael Harrison and
Fran Abrams

A DAMAGING split was threatening to develop last night in Labour's newly forged relationship with business after an extraordinary attack on Tony Blair's "third way" by the next head of the Confederation of British Industry.

Sir Clive Thompson, who takes over as CBI president in July, was especially scathing about the Prime Minister's employment reforms, criticising government interference and the concept of a workplace partnership between employers and trade unions.

The remarks could undermine the warm relationship that Tony Blair has developed with the CBI. Sir Colin Marshall, the outgoing president, had just delivered a speech praising the partnership with New Labour and the stable policies of the

Government's *Fairness at Work* proposals. "It is people as individuals who build great businesses, not markets, assets, brands, governments, not people collectively but people as individuals through their leadership, determination, self-belief and commitment," he said.

His comments jarred with the speech given just a few minutes beforehand by Sir Colin Marshall, chairman of British Airways, who spoke of the "evolving partnership between Government and business" and praised Gordon Brown for the way he saw eye-to-eye with business on the need for stability and sustainable economic development.

Sir Colin added that the CBI and the Government enjoyed a "largely mutual philosophy". In its formal response to the *Fairness at Work* White Paper, the CBI's director general, Adam Turner, described the Government's approach to statutory union recognition as "workable".

Sir Clive's comments also shocked large numbers of the 1,600 business leaders attending the dinner. One said his speech was "off the wall and completely out of line". Another said it was "badly misjudged".

Pierre Jungels, chief executive of Enterprise Oil, said: "I found the speech very curious. It surprised me personally that the CBI is shifting from a president tuned into the new thinking to one who sees things so differently."

Sir Colin maintained yesterday that Sir Clive had done a good job in bringing the evening to a close and seemed taken aback that the speech had provoked such a strong reaction.

The Rentokil chief will take on the CBI presidency for two years, during which time he will be the principal spokesman for British business and charged with the task of presenting its views in Downing Street.

David Chidgey, the Liberal Democrat trade and industry spokesman, was at the dinner but assumed Sir Clive's comment about pest control was a joke. "If you read it cold then it's a pretty Neanderthal remark. It's like going back to the Dark Ages and it underlines the fact that the CBI have always been opposed to statutory union recognition. That's been the case for as long as anyone can remember and that's the way they have started into the consultation with the TUC."

Does this picture make you flinch? Clare Short says graphic images like this stop people caring



One of the thousands of starving children in southern Sudan. Clare Short said that if aid agencies were constantly appealing for emergency aid the world would be 'going round in an endless cycle that never reaches a solution' Photograph: AP

By Anthony Bevins
Political Editor

CLARE SHORT last night issued a heartfelt plea for aid agencies to help her break the vicious cycle of aid appeals, like Sudan, which were diverting resources from long-term development.

She warned that people found endless humanitarian appeals "unbearable and they become depressed".

"The pictures come in, they flinch and turn away." Her outspoken analysis provoked immediate denunciation from some aid agencies.

Ms Short, the Cabinet minister in charge of the Department for International Development, told a London conference organised by Disasters from Disaster Zones that overseas aid should target longer-term development problems, to strike at the heart of many disasters.

She said that the current crisis in Sudan - where an estimated 350,000 people are starving after decades of civil war - was the result of political breakdown, not an act of God.

But she warned: "In recent years, there has been an increase in humanitarian aid and a reduction of aid for development. 'If it is all humanitarian we are just going round in an endless cycle that never reaches a solution. The cycle is fantastically destructive.'"

While politicians and aid groups should be focusing on the world's capacity for progress to areas like educational standards and fighting poverty, the public at large was developing compassion fatigue, Ms Short said.

"People get really angry

when they think progress is possible but the steps aren't being taken politically," she said.

"Out of genuine compassion, we are trapped in a destructive cycle that is preventing us mobilising the political will to go forward."

Ms Short urged aid agencies to talk to her about switching the emphasis of their work towards longer-term development and improving public awareness.

"What I'd like to consider is that we cease to do those kinds of appeals. We could do positive advertising."

"I don't believe there is a lack of compassion among people, but there is a deep dependency that is paralysing."

But Peter Walker, director of disaster policy for the International Federation of Red Cross and Red Crescent Societies, said last night: "It is a little bit like blaming 999 crews because we have a lot of road accidents."

He described Ms Short's speech as "good analysis, wrong conclusion".

Alberto Navarro, director of the European Community Humanitarian Office, said: "Humanitarians aren't at all responsible for conflicts. These confrontations between humanitarians and development - we are two sides of the same coin. We have the same objectives."

But he warned that Ms Short's speech could provoke a switch in emphasis to "trade not aid" - encouraging poorer countries to develop their economies while limiting the supply of overseas aid.

"Unfortunately, in the present world, trade and aid are needed. Appeals are not only for raising money but also for raising awareness."

Pakistan in nuclear tit-for-tat

By Peter Popham in Delhi

THE nuclear arms race, Mark Two, got under way yesterday afternoon when Pakistan exploded five nuclear devices under the desert wastes of Baluchistan, near the Iranian border. The tests were a riposte and a warning to India, whose five tests earlier this month stunned the world.

Reaction to Pakistan's tests was swift and severe. A Nato spokesman said that Pakistan's action had caused "dismay" in Nato, as all the allies had called

on Pakistan to exercise restraint. "Both India and Pakistan risk becoming outcasts in the international community," he said.

In Delhi, the Lower House of India's parliament, Lok Sabha, adjourned in consternation when the news arrived. After an emergency meeting the Prime Minister, Atal Behari Vajpayee, said India was "ready to meet any challenge".

Soon after the announcement of the tests - which did not give details of the types of devices used - the Pakistani Prime

Minister, Nawaz Sharif, went on national television to explain the decision. He said India's detonations of three weeks ago had "violently tilted the balance of power in the region," and that India's deployment of long-range Prithvi missiles against Pakistan was a serious threat.

The "lacklustre" response of the West to India's move had only served to embolden India. "We will have sanctions, we will have difficulties," he went on, "but if you have the strength, there is no way we can fail."

Preparing for a period of austerity, he announced that the government would sell off many government offices and use the money to help the nation through the tough times ahead.

In a later news conference, Mr Sharif renewed an offer of a non-aggression pact with India "on the basis of a just settlement" of the countries' dispute over Kashmir.

President Clinton condemned Pakistan's decision as a lost opportunity. "We have no choice but to impose sanctions," he said last night.

Treaty pressure, page 17

Trafalgar House to lose Indonesian contract

By Richard Lloyd Parry
and Michael Harrison

THE construction company Trafalgar House is set to become the next British casualty of the fall of President Suharto, with the new Indonesian gov-

ernment poised to cancel a \$625m joint venture involving the dictator's daughter.

Sources in the Indonesian government told *The Independent* yesterday that they want to find another private company to build a 59km toll road which Trafalgar House, now called Kvaerner, is constructing in West Java.

News of the latest blow to British interests in Indonesia came as details emerged of other big companies with con-

tracts linked to family or friends of the former President Suharto. Rolls-Royce, Rio Tinto, BP, United Biscuits and the Bank of Scotland all have projects that may come under scrutiny.

Last night, Kvaerner said it hoped to salvage the toll road deal, but government sources said they were keen to scrap it. They claim that the project is behind schedule and that relations between the British company and the Ministry of Public Works have all but broken

down. The project is likely to be scrutinised for evidence that it was awarded as a result of nepotistic favours granted to Trafalgar House's partner in the deal - Suharto's eldest daughter, Siti Harijanti Rukmana, better known as Tutut.

"We want to end the whole thing," a senior government source said yesterday. "The ground-breaking was one year ago, and by now they were supposed to have completed one segment. We have reminded

them many times, but relations are not good."

The news comes five days after a £225m contract involving Thames Water and Suharto's eldest son was suspended after allegations of nepotism.

The secretary-general of the Ministry of Public Works, Sumaryo Sumadji, said yesterday that the government will "intensify" their investigations into companies with links to Suharto relatives and cronies.

Contracts at risk, page 2

In brief

Rail strikes

RAIL workers voted overwhelmingly in favour of industrial action over pay and conditions yesterday. Strikes by members of the RMT union could start within two weeks and cause widespread disruption. Page 4

Hilfiger 'fakes'

TESCO was yesterday served with a writ accusing it of selling counterfeit Tommy Hilfiger goods. Page 5



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INDEPENDENT

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The results of our competition – and the £2,000 winning entry

■ **Sex and drugs**
What's gone wrong with the Armed forces?

■ **Overbearing and over here**
The 'Friends' wedding video – why do they hate the Brits so much?



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Recycled paper made up 41.4% of the raw material for UK newspapers in the first half of 1997.

Sex-claims report lambasts police force

By Jason Bennetto
Crime Correspondent

A POLICE FORCE whose chief constable was forced to resign following his handling of a sexual harassment case was severely criticised yesterday by government inspectors for its treatment of women officers.

In 1996 North Yorkshire police paid out more than £100,000 to a female former detective, and £10,000 to a second woman officer. But a report yesterday said there was "little evidence of commitment" by the force to improve equal opportunities and also revealed that there were no women officers above the rank of inspector.

In one of the most damning reports in recent times by the Inspectorate of Constabulary, it said there was a "pressing need for urgent interim action" and an overhaul of the force's command structure.

The Chief Constable of the force, David Burke, resigned in January after disciplinary proceedings were brought against him – and then dropped – by the police authority.

The disciplinary case came after claims of sexual harassment were made by women officers at Harrogate police station. Former Constable Libby Ashurst alleged bizarre initiation rites at the station, involving officers being forced into dog kennels and male constables made to wear bulldog clips on their nipples.

Claiming sexual harassment by male colleagues, she accepted an undisclosed sum in an out-of-court settlement from the force in 1996 in return for dropping her claim. Some reports put the sum she received as high as £600,000, although the figure is thought to be about £150,000.

Another female officer based at Harrogate received an estimated £10,000.

In the report, which followed an inspection of the force shortly after Mr Burke resigned, it called for a "root-and-branch" review of the force's structure,

to bring about "meaningful change to its organisational culture".

It added: "Nowhere is this more required than in the area of equal opportunities, yet Her Majesty's Inspector was disappointed to find little evidence of commitment, let alone investment."

"Force personnel have little or no confidence in established processes such as training and the grievance procedure."

There has been a "significant" rise in the number of official complaints – 14 in the past nine months of last year – half of which involved "inappropriate or discriminatory behaviour", said the inspectors.

While about 13 per cent of the force's officers were women, the vast majority of these were of lower rank.

The absence of female officers above the rank of inspector was compared to a national average of about 4 per cent. The inspectors found that there were very few women detectives or traffic officers in the 1,400-strong force.

The inspectors also revealed that the part-time post of Equal Opportunities (EO) officer had been abolished and that EO training was suspended. A special board established to monitor equal opportunities within the force had not met for eight months.

In response to the report, David Kenworthy, the new Chief Constable of North Yorkshire, promised to deliver a "more dynamic, open and accountable style of management to build on the already impressive performance of the force".

Mr Kenworthy added: "There are a lot of things that aren't being done properly – the grievance procedure is not being done properly, people don't trust it."

Mr Kenworthy, who came to the force from Avon and Somerset police four months ago, said he was carrying out a review of management structure and would be hiring an equal opportunities officer.



Hubert Neiss (left), International Monetary Fund director for Asia Pacific, mopping his brow in the heat following his meeting in Jakarta yesterday with the Muslim leader, Amien Rais (right). Mr Neiss said that Mr Rais was in favour of the IMF's economic reform plan for Indonesia. Photograph: AFP

Investments at risk as British firms face costly fallout from upheaval in Indonesia

SOME OF Britain's biggest companies were yesterday identified as having interests in Indonesia with links to former President Suharto or his cronies.

Projects worth hundreds of millions of pounds were secured by teaming up with companies linked to the president's six children or his closest friends – but now many of these are coming under scrutiny from the new government.

Thames Water has already had a £225m project to supply water to half the population of Jakarta suspended and questions have been raised about the future security of PowerGen's role in a £1.065bn power station project in east Java.

Suharto's eldest son, Sigit, controls a company which, Thames had to go into partnership with, while PowerGen's partner was part-owned by another of the former president's sons, Bambang.

These companies, however, are not alone in having links that were once advantageous but are

now potentially disastrous. According to information compiled by the Indonesian human rights campaigners Tapol, there could be many more.

Rio Tinto is a shareholder in PT Freeport Indonesia, which runs a \$3bn copper and gold mining operation in Irian Jaya. Another Freeport shareholder is a company 80 per cent controlled by Suharto-controlled charitable foundations, with the remaining 20 per cent divided up between Suharto's son Sigit and his golfing partner, Bob Hasan.

The company said it had not deliberately allied itself to any Suharto family or friends and was committed to long-term investment in the region without becoming involved in politics. "We are, and always have been, completely and utterly neutral as far as politics go," a spokesman said.

BP owns 51 per cent of Indonesia's first polyethylene plant, PT Peni. Sigit owns 9 per cent of the company while Bambang controls a company which has secured a five-year contract to supply the plant with half its ethylene requirements.

BP said it was not concerned about the operation's links to the Suharto family. A spokesman described the deal as a normal commercial investment.

Rolls-Royce's agent in Indonesia is PT Mahasarakana Buana, a company owned by Suharto's youngest son, Tommy. Rolls-Royce engines are used in the Hawk aircraft and the N-25 passenger planes manufactured by the state aircraft company IPTN, which was headed by BJ Habibie before he became president. IPTN also services the Rolls-Royce Trent engines used in the Airbus A-330 planes flown

by the state carrier, Garuda. Rolls confirmed that it was involved in the projects attributed to it by Tapol, but refused to confirm the identity of its agent.

Taylor Woodrow is involved in building a \$1.2bn light railway in east Java with GEC Alsthom and a third partner, the Bimantara Group, Tapol claims. Bimantara is controlled by Bambang.

Last night, Taylor Woodrow said GEC Alsthom had signed a letter of intent with an Indonesian company in October 1996 and they had come on board a year ago. Neither company would confirm the Indonesian company was the Bimantara Group.

A Taylor Woodrow spokesman said: "We are obviously aware of the political situation but we are a well established company, and have been in-

involved in Asia for 40 years."

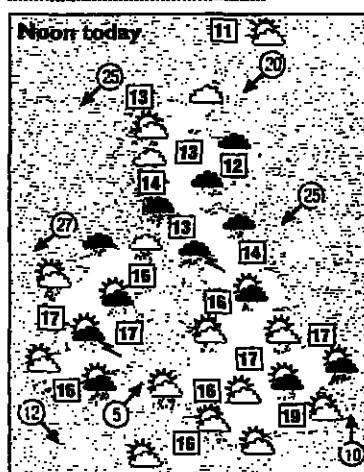
The Bank of Scotland is investing £5.5m in a huge paper-mill project in south Sumatra. One of the other investors, with a 16 per cent stake, is PT Trodden Satriaputra, which is owned by one of Suharto's daughters, Tutut.

The bank's annual report said its exposure in the entire South-east Asia region amounted to only 0.17 per cent of its assets. A spokeswoman said the figure quoted by Tapol represented a commitment to lend over the next two years, only a fraction of which has been extended so far.

In 1994, United Biscuits launched a joint venture with the Salim Group to build and run a biscuit factory in west Java. The Salim Group, which has a 50 per cent stake in the project, is owned by Liem Sioe Liong, Suharto's closest friend.

The company said it was anxious to see the project continue successfully but its corporate exposure was "virtually nil".

WEATHER



British Isles weather

most recent available figure at noon local time

C: cloudy; D: clear; F: fog; H: haze; M: mist; P: rain; S: sunny; St: shower; Sh: shower; S: shower; T: thunder.

Aberdeen	C 12.54	Glasgow	Sh 12.54
Anglesey	F 14.57	Inverness	C 10.30
Ayr	C 13.59	Isle of Wight	R 12.54
Belfast	C 12.54	Isle of Skye	F 14.57
Birmingham	F 15.01	Jersey	F 16.01
Blackpool	C 14.57	Liverpool	C 14.57
Bournemouth	C 16.01	London	C 15.59
Brighton	C 14.57	Manchester	C 13.55
Bristol	C 13.55	Newcastle	Sh 10.30
Cardiff	C 13.55	Oxford	C 14.57
Carlisle	Sh 14.57	Plymouth	F 16.01
Derby	C 15.59	Scarborough	C 12.54
Dublin	Sh 10.50	Southampton	C 16.01
Edinburgh	Sh 10.50	Southend	Sh 13.55
Exeter	C 13.55	Stamford	F 11.52
Glasgow	C 13.55	York	C 12.54

Air quality and Pollen

Yesterday's readings

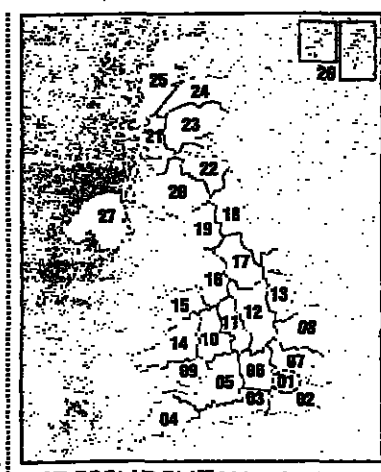
	NO ₂	Pollen	PM ₁₀
London	Mod	Good	Good
S. England	Mod	Good	Good
Wales	Good	Good	Good
C. England	Good	Good	Good
N. England	Good	Good	Good
Scotland	Mod	Good	Good
N. Ireland	Good	Good	Good

Outlook for today

	Mod	Low	Good
S. England	Mod	Low	Good
Wales	Mod	Low	Good
C. England	Mod	Low	Good
N. England	Mod	Low	Good
Scotland	Mod	Low	Good
N. Ireland	Mod	Low	Good

Out and about with AA Roadwatch

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INDEPENDENT Weatherline

For the latest forecasts dial 0891 5009 followed by the two digits for your area indicated by the above map. Source: The Met Office. Calls charged at 50p per min at all times (inc VAT).

	AM	HT	PM	HT
London	04.59	7.5	17.21	7.2
Liverpool	02.12	9.4	14.27	9.2
Avonmouth	01.31	13.0	22.46	12.8
Hull (Albert Dock)	09.28	8.6	21.59	8.4
Greenwich	03.22	3.5	16.04	3.3
Dun Laoghaire	02.32	4.2	15.02	4.0

Lighting-up times

	21.45	to	04.57
Belfast	21.17	to	04.50
Birmingham	21.14	to	05.01
Bristol	21.40	to	04.43
Glasgow	21.05	to	04.51
Manchester	21.24	to	04.49
Newcastle	21.30	to	04.37

Sun & moon

Sun rises: 04.52
Sun sets: 21.05
Moon rises: 08.29
Moon sets: -
First Date: June 2

World weather most recent available figure at noon local time

Algeria	23.73	Buenos Aires	14.57	Buenos Aires	14.57	London	15.59
Algeria	23.73	Cairo	28.82	London	15.59	London	15.59
Algeria	23.73	Calcutta	28.82	London	15.59	London	15.59
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Unions slate Low Pay Commission proposals as a recipe for alienation. Barrie Clement reports



Workers at K Fashions in Smethwick, West Midlands. It has been estimated that the minimum wage would affect 1.5 million people, mainly women, with some regions more affected than others Photograph: Jenny Leach

Row grows over move to deny minimum wage to the young

THE plan to set a minimum wage at £3.60 looks set to cause a rift between government ministers, with some seeking to ensure fewer workers are covered. While the Department of Industry is minded to accept the Low Pay Commission's submission, Number 10 are concerned it could be inflationary and cause substantial unemployment among young people.

The commission has proposed that those who are 21 or older should be paid £3.60, that 18 to 21-year-olds should receive £3.20 and that there should be no minimum for 16 to 18-year-olds. Government advisers believe lower rates could be extended to include all employees under 26, arguing that employers will be less enthusiastic about offering placements to participants in the New Deal programme if they have to pay the full rate.

News that some ministers might seek to limit coverage of the minimum will further enrage union leaders who yesterday rounded on the whole principle of lower rates for younger workers. John Edmonds, general secretary of the GMB union, said the recommendation was likely to create social alienation and a "two-tier" system which would turn the under-21s into second-class citizens.

However, John Monks, TUC general secretary, said the figures were "a reasonable step in the right direction". Ken Jackson, of the Amalgamated Engineering Union, said it constituted a key element in the Government's plan to reform the welfare system and



would encourage a high-wage, high-productivity economy. The Confederation of British Industry regarded the recommendations as "acceptable" but the right-wing Institute of Directors said they could lead to job losses in some industries and increased costs and create inflation in others. Some businessmen declared their intention to switch from older employees to under-21s. Mr Edmonds said he was "very disappointed" with the recommendation, since it meant 1 million young people would

'I will have to look for a place overseas and will probably need to lose 80 staff'

FOR Trevor Hall, managing director and chairman of a knitting firm in Leicester, a minimum wage of £3.60 is "another nail in the coffin" which will lead to job losses and force him to take his business abroad.

Mr Hall, who manages Commando Knitwear, in South Wigston, said: "I will go overseas. I have already gone down that road once. I made con-

nections and then felt loyalty to this country." But this time he would have no qualms.

Mr Hall estimates that he will have to pay an extra £2,000 a week in wages.

"This will not be incurred by paying the minimum wage to the lowest paid workers, but by paying the differential between unskilled workers and skilled workers." For example, if an un-

skilled worker's hourly pay was set to increase by 60p, skilled workers would expect the same pay rise, said Mr Hall, who employs more than 100 people.

"With the strong pound my export market has gone and my turnover last year was down by half a million pounds.

"We have never fully recovered. We have lost the market in Europe," he said. Most

of his UK competitors were already having most of their stock made abroad, in countries like Romania, because it was so much cheaper.

The minimum wage would lead him to become an importer and to look for a place overseas. "I will probably have to lose about 80 of my staff," he said.

Suzanna Chambers

'I work for nothing but I'm not the sort of person who wants to remain idle'

NICOLA JAMES will derive no benefit from the £3.60 an hour minimum wage because that is already her hourly rate.

Ms James, aged 32, a single parent with three young children, is unemployed with the proposed statutory pay floor.

She works as a catering assistant at the University of Wales, Swansea, and regards her take home pay of £68 per week, for

20 hours' work, as "disgusting". University ancillary workers are among the lowest paid members of Union, the public service union, which wants a national minimum wage of £4.61 an hour.

Last year, during the university holidays, Ms James had to borrow £1,000 to try to survive. She is still paying off the loan at £14 a week. "I work for

nothing really," she said. "But I'm not the sort of person to remain idle. I don't want to live off somebody else."

On top of her weekly pay, Ms James also receives about £47 a week in Family Credit. She tries to keep her weekly food bill below £30. Her gas and electricity bills come to £10 each and school bus fares cost £11.50. She spends £20 on

petrol for her car, which she needs to get to work and for her children.

Her rent is £51.70 a week, but she is hoping to move to another house where her contribution to rent could be less than £30. "I can only manage by robbing Peter to pay Paul," she said.

Barry Clement

Rates of pay in Britain

Profession	Average hourly pay
Waiters and waitresses	£2.93
Bar staff	£3.01
Nursery nurses	£3.17
Sainsbury's butcher	£5.14
Bank cashier	£5.44
Firefighter	£7.12
Electrician	£7.60
BBC manager (outside London)	£9.02
GP	£22.90
Army brigadier	£31.65

Minimum wages

Country	Minimum hourly wage
Belgium	£4.20
Canada	£2.17
France	£3.75
Greece	£1.52
Japan	£3.19
Luxembourg	£4.25
Netherlands	£3.96
New Zealand	£2.45
Portugal	£1.09
USA	£2.85

Fury over 'elitist' plan to charge for TV football

By Janine Gibson
Media Correspondent

THE Premier League has been warned it will disenfranchise fans and make supporting football clubs a privilege if it agrees plans to introduce pay-per-view games on Sky Television next season.

The Football Supporters Association yesterday said it was "appalled" by proposals being discussed today at the summer meeting of Premier League club chairmen.

At the meeting a working party will report on discussions with Sky about the various options for introducing pay-per-view (PPV) matches which could lead to an extra 144 games a season being broadcast to those who can afford it.

A PPV trial scheme will be part of the development of Sky's digital satellite television service, so consumers will have to pay around £200 for a set-top decoder box. A subscription to Sky's basic channels package, including its three sports channels, costs around £17.99 a month and Sky is expected to charge up to £10 for each PPV match.

Fans are expected to voice their anger at the PPV plans this weekend when the Football Supporters' Association holds its annual conference. The association's vice-chairman, Sheila Spier, has condemned the plan: "It is yet another example of the Premier League clubs disenfranchising fans."

"To be a supporter of a Premier League club is now a privilege of those of middle and high income. The Premier League is saying to fans: 'If you are low-income, we don't want you'."

He added: "We are appalled at the total lack of consultation with any fans' organisations on this matter."

Today's presentation is expected to suggest that four Premier League games could be moved from Saturday afternoons to a Sunday 1.30 pm kick-off next season. Fans could then choose to order between three or four of these on a PPV basis.

Described as an "experiment", the scheme is expected to lead to all eight Saturday games moving to Sunday for the season of 1999-2000.

Financial projections suggest that PPV will generate gross revenues of £31.8m, with the clubs set to receive around £16m on top of the £160m they are already paid by Sky.

Sky has exclusive rights to broadcast PPV Premier League until 2001, but it must reach an agreement to begin the scheme next season so that it can convince consumers to pay out for the 200-plus channels on the new digital satellite service.

A limited PPV movies service, Sky Box Office, currently airs on the existing satellite service with occasional "special event" PPV boxing nights. Next week, a Robbie Williams concert will be broadcast live on Sky Box Office at a cost of £9.95 to viewers.

The chairman of Manchester United, Martin Edwards, backs the PPV plan. He said yesterday that he had conducted a telephone straw poll of the 20 Premier League chairmen and found most to be broadly in favour of introducing PPV next season.

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FLORIDA	£168	£15.50
CALIFORNIA	£168	£15.50
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Strike vote sets stage for rail chaos

By Barrie Clement
Labour Editor

A SUMMER of rail chaos loomed yesterday after maintenance workers voted for industrial action in a dispute over pay and conditions.

Strikes by members of the RMT union could start within a fortnight and cause widespread delays and cancellations. Yesterday it announced votes for action at seven out of eight maintenance companies and expects most workers at another six firms where results are due in a week to follow suit. The 10,000 employees work on signalling and tracks.

Figures yesterday showed 67 per cent of staff had opted for action. Representatives meet in London on 6 June to decide what form the action will take and when.

The union says restructuring deals on offer from the companies mean many members will be worse off. Bob Crow, the union's assistant general secretary, calculated that an employee on the basic grade working 49 hours a week, including 10 hours overtime, would be £40 worse off.

The companies are trying to reform the old British Rail systems, which meant staff were on low basic rates but with considerable and complex "add-ons". Yesterday Mr Crow called for immediate negotiations and some companies registered readiness to meet the union.

Current basic rates vary from £166 to £220 a week for track workers, the union said. Negotiators for RMT have called for basic rates of £16,000 to £27,000, better leave and a four-hour cut to 35 a week.

The companies affected by yesterday's ballot results are AMEC Rail, AMEY Railways, GCRM, First Engineering, Centrac and three repair firms owned by the Balfour Beatty construction firm. They cover rail infrastructure in southern and south-west England, south Wales, the Midlands, East Anglia, and Scotland.



Abby Ibrahim, 10, a performer with Circus Ethiopia from Addis Ababa, showing off his unicycle skills at the show's venue on the South Bank in London yesterday; the popularity of the circus, whose artists are aged 8 to 18, has led to an extra performance scheduled for Sunday. Photograph: Brian Harris

Detective failed to meet Lawrence family for a year

By Kathy Marks

THE senior Scotland Yard detective who led the investigation into the murder of the black teenager Stephen Lawrence admitted yesterday that he did not meet Stephen's parents until more than a year after he was killed.

Former detective superintendent Brian Weeden told the public inquiry into Stephen's death that he made "considerable efforts" to see Neville and Doreen Lawrence after their son was stabbed by a white gang in Eltham, south-east London, in April 1993.

But he agreed with Michael Mansfield, QC, counsel for the family, that their first meeting

in fact took place in May 1994, shortly before he retired. "Of course this was far too late to be as beneficial as an early meeting," he said.

Cross-examined about the breakdown in relations between police and the Lawrences in the first fortnight, Mr Weeden suggested that the family should accept some of the blame.

He said he wrote a letter to them early on, requesting a meeting, and sent verbal messages through two family liaison officers. He also invited them to visit the incident room.

"I was creating the opportunities, but they were not being taken up," he said. "At the end of the day there does need

to be a degree of co-operation. It is a two-way process. It takes two to tango."

Told by Mr Mansfield that the Lawrences never received the letter, Mr Weeden replied: "Well, that's the first I've heard of it."

Mr Weeden, who was in charge of the murder inquiry for 14 months, agreed that when he decided to arrest the five prime suspects, he made no arrangements for the family to be notified beforehand. But he said he believed that they were informed less than an hour after officers went to the suspects' homes.

Mr Mansfield told him that the Lawrences found out about the development from television

and radio news. "The message about the arrests did not get through to the family," he said.

Later, questioned by Michael Egan, counsel for the Police Federation, Mr Weeden sought to clarify his admission on Wednesday that he had not until recently understood the legal grounds on which suspects could be arrested. He said that by the time he was interviewed

for a Police Complaints Authority report last year, the barrage of criticism he had faced over his failure to make swift arrests had left him confused. "In 1993, the knowledge I had of the criminal law was far better than five years later," he said.

Mr Weeden also denied that

the investigation was obstructed by racism, or by a corrupt link between a police officer and the father of one of the five suspects.

The corruption allegations, he said, were "frankly ludicrous". And he went on: "When one looks at the matters that have been advanced, they will be seen as being very, very thin, if not transparent."

"My officers did everything they possibly could to see this case through to a successful conclusion. They all worked extremely hard, and the fact that there was no successful prosecution was not a consequence of a lack of commitment, but rather a lack of evidence."

The inquiry continues.

IN BRIEF

Court allows 'Panorama' broadcast on GMC inquiry

THE General Medical Council yesterday failed in a Court of Appeal bid to delay the screening of a BBC *Panorama* programme linked to its biggest ever medical disciplinary inquiry.

Three judges indicated they had no jurisdiction to intervene with the case on the grounds they had no jurisdiction to intervene with the *Panorama* investigation into accusations against heart surgeons. The judges also intend to rule there were no valid grounds to postpone the broadcast of "Broken Hearts" until after the GMC's professional conduct committee had completed the inquiry. The committee is deciding whether allegations against consultants James Wisheart and Janardan Dhasman, and Dr John Roylance, former chief executive of the United Bristol Healthcare NHS Trust, have been proved as fact.

Two family services for Diana

THE two families of Diana, Princess of Wales, are to mark the first anniversary of her death with prayers - privately and separately. Her sons, Princes William and Harry, will be with the Queen, their father and grandfather at a private family prayer service at Crathie Church, Balmoral, Buckingham Palace announced today.

On the same day, August 31, Diana's brother and sisters will hold a private memorial service 400 miles away on the banks of the lake at their ancestral home, Althorp.

Pair held over child murders

A MAN and a woman accused of murdering three children were remanded in custody when they appeared before Brighton Magistrates' court yesterday. They are accused of murdering three boys, aged 18 months, five weeks and six weeks, who died on different dates at Brighton, East Sussex, between April 1994 and March 1997. The 35-year-old man and 24-year-old woman were remanded in custody until 4 June.

Man held over missing mother

A MAN was arrested yesterday in connection with the disappearance of Marsha Wray, 38, of Harrogate, North Yorkshire, who was last seen as she dropped her children at school in January 1997. A Harrogate man was arrested in the neighbouring town of Knaresborough yesterday morning, police said. He was being questioned yesterday at Harrogate police station.

Fall in lone-parent support

THE number of lone parents on Income Support has fallen below a million for the first time in five years, new figures showed yesterday. The number had risen from 770,000 in May 1990 to 1,022,000 in November 1996 - but fell to 982,000 in the year to November 1997.

'Titanic' teddy fetches £11,000

A MOURNING teddy, commissioned after the *Titanic* tragedy in 1912, fetched £10,925 at a Christie's auction in London yesterday. The bear was one of 12 black teddies, made by the German firm Steiff, displayed in shop windows after the sinking.

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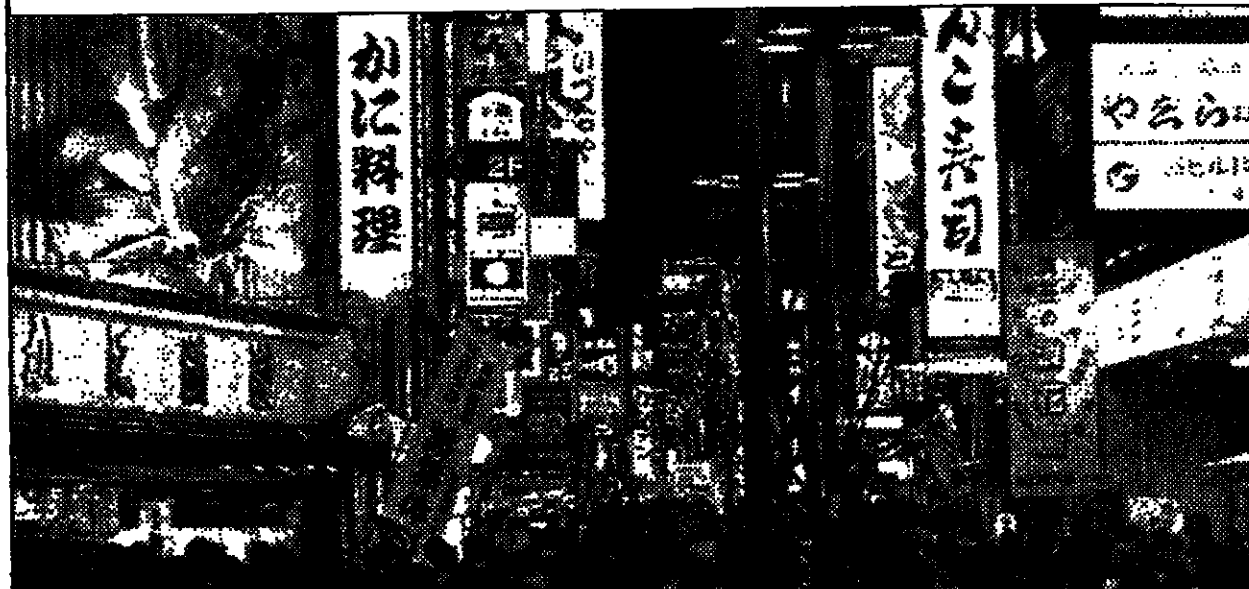
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هكذا من الأصل

Tesco faces legal fight over 'fake' Hilfiger

By Glenda Cooper
Consumer Affairs Correspondent

IN THE latest twist in the war between supermarkets and designer labels, Tesco was yesterday served with a writ accusing the stores of selling fake Tommy Hilfiger goods.

The US sportswear fashion business claims that some clothing on sale in the supermarket was the work of counterfeiters and has served a writ seeking damages and a High Court injunction to stop the stores selling allegedly fake products.

But Tesco immediately reacted by saying that it "absolutely believes" that the garments on sale are genuine and accused Tommy Hilfiger of trying to "muddy the waters" over the issue of selling designer labels in supermarkets. It added that there "would not be any issue if brands like Tommy Hilfiger agreed to supply us directly".

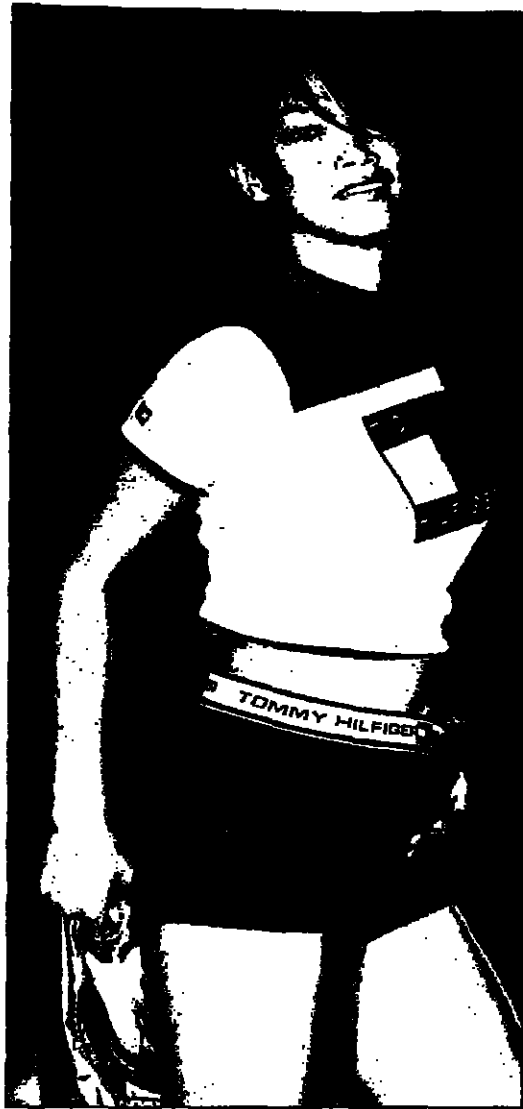
Undercover agents bought

sample goods from 25 Tesco stores at the time of the promotion which started on Easter weekend. The company said that clothing was sent to the United States to be tested. A spokesman said that Tommy Hilfiger had carried out exhaustive "due diligence" studies to establish what was counterfeit, adding: "You do not go up against a company like Tesco without having done your homework first."

Tesco had bought the merchandise from unofficial sources - the so-called "grey market" - as part of drive to target designer labels which refuse to supply the chain on the grounds that their stores are not the right environment for expensive clothing.

The Hilfiger offer, available in 200 stores, is the latest in a series of high-profile attempts to sell leading brands at cheaper prices.

Tesco has targeted several designer labels in this way, starting with the sale of cheap



Fashion designs from Tommy Hilfiger (above right) sent undercover agents to Tesco stores before issuing a writ



Photographs: Chris Moore



"passing off" clothing and accessories as having been made by Tommy Hilfiger.

The writ also calls for the supermarket chain to destroy all remaining allegedly counterfeit Hilfiger-branded items in its possession and to identify "all persons and corporations" which had supplied it with the allegedly counterfeit goods.

John Gildersleeve, a director of Tesco, said that if there was ever doubt about the authenticity of its goods, it would withdraw them immediately.

"We don't understand why Tommy Hilfiger has taken this action now. We have been seeing their products for over seven weeks and have given them access to inspect the full range."

"They have repeatedly refused to meet us to discuss supply issues. We can only believe that this is a move to muddy the waters over the real issue of selective distribution - a system that brands operate to restrict supplies and maintain high prices."

Levi jeans and followed by offers on Calvin Klein clothes.

On Wednesday, to the fury of Umbro, it started selling official England and Scotland World Cup football shirts for

about 25 per cent less than other British retailers.

A spokesman for Tommy Hilfiger said yesterday that the issue was not about Tesco selling its goods cheaply, but

whether the customer was being sold counterfeit goods.

"Tommy Hilfiger is a globally respected brand and we owe it to all our consumers that whenever they buy Tommy Hilfiger mer-

chandise they can be sure it is genuine," said Fred Gehring,

chief executive of Tommy Hilfiger Europe.

"We are therefore determined to take this legal action

to stamp out the trade in counterfeit goods."

The writ, which includes a claim for damages, calls for an injunction to restrain Tesco from infringing trademarks and

Army chaplain had a 'soldier's humour'

AN ARMY chaplain accused of harassment and indecent assault was a "soldier's soldier" with an "earthy" sense of humour, a court martial heard today.

Padre Captain Richard Landall, 41, enjoyed bawdy jokes with his colleagues who never took offence, the court martial was told.

On the sixth day of the hearing at Aldershot, Hants, Captain Joseph Strachan told the court: "The padre has got a very keen sense of humour, a soldier's sense of humour, sometimes an earthy sense of humour. But it is one people can relate to straight away."

"I have never spoken to anyone who has ever taken offence at that sense of humour."

"As an example, I think we had been in Bosnia for three weeks and the padre asked me if I had any risqué photos of my wife. I said 'No', and he asked me if I wanted any. I laughed because it was funny. I have never been asked anything like that by a padre before. It is a soldier's type of joke."

"We were in a very male en-

vironment and people were making jokes like that all the time and he was no exception."

Capt Strachan said that Landall was the most effective military padre he had known in 24 years of army service.

"I have never met anyone who cared so much about the ordinary soldier or who could relate to them coming from a very similar background."

"He has a way of talking to soldiers and to their families that immediately puts them at their ease. He is able to communicate quite complex ideas in very simple language to some people who are not always very educated."

He added that Landall was a direct preacher and people could remember sermons he had delivered two years later.

"He had a way of putting across the religious message in terms that the simplest soldier could understand," he said.

Sergeant David Harris, who served with Landall, said: "I saw the padre as a soldier's soldier and as an approachable man who was familiar with the

troops without being too familiar."

Landall denies four counts of indecent assault on a soldier's wife as well as harassing Fusilier Sean Brazier, 26, and harassing his wife Shelly Brazier, 27, while they were stationed in Celle, Germany, between January and November 1997.

The court martial heard that the woman who claimed she was indecently assaulted by Landall allegedly became "boisterous and flirtatious" when she had been drinking.

She and her husband often held boozy parties in the cellar bar of their home in Germany.

At one party she sat on Padre Landall's lap after planting kisses on his bald head, the court heard.

Sergeant Major John Charlton, who lived near the couple in Celle, Germany, said he often had to go to their home to complain about the noise. On one occasion he saw the woman and her husband fighting outside.

The hearing was adjourned until tomorrow.

Drama as theatre heads refuse to serve on Arts Council panel

By David Lister
Arts News Editor

SOME of the biggest names in British theatre have written to the Secretary of State for Culture saying they will refuse to serve on the Arts Council's expert advisory panels in the wake of the resignation of the drama panel.

The panel, led by West End

producer Thelma Holt, resigned last week in protest against changes brought in by the new Arts Council chairman, Gerry Robinson.

These changes involved a lesser role for the expert panels and no guarantee that the panel's chair would be a member of the new Council. The Council hands out £400m in grant and

lottery cash to arts companies and venues in England.

Yesterday more than 50 leading lights in British theatre said they would boycott the Council. The list included producer Sir Cameron Mackintosh, director Sir Peter Hall, William Weston, general manager of the Royal Shakespeare Company, and the heads of most of the subsidised companies in England.

They wrote to Chris Smith, Secretary of State for Culture, who appointed Gerry Robinson and has supported his reforms, saying: "We totally support the reasons for the drama panel resignations, and we would not wish to serve on any Arts Council of England panel whose Chair is not a full member of the Council."

Mr Robinson, who is also chairman of Granada plc, defended his position yesterday, saying: "Panel chairmen will have the opportunity to attend and take part in Council discussion of substantive matters... Direct access to Council will be at whatever regularity is necessary to ensure good and well-informed governance."

But his assurances have failed to placate growing unease in the arts world. Lady Deborah Macmillan has resigned as chair of the dance advisory panel, and broadcaster Stephen Phillips has indicated he will resign as chairman of the touring panel.

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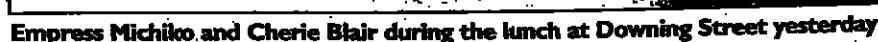
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By Anthony Bevins
Political Editor

The Japanese government had always accepted that there

friendship for the future."

Mr Blair's spokesman said the Prime Minister expected to meet representatives of the prisoners-of-war within two weeks. But there seemed little chance of changing the official view that the question of compensation was closed.



Photograph: AP

By Jason Bennetto
Crime Correspondent

The only other category of crime to rise – along with violence – was sex offences, which went up by 9 per cent in the past year to 7,654.

Old

By William Scammell

*Old posts and joists, old timber, lumber,
dumped and forgotten in long grass,
burrowing slowly, going under,
the glamorous nowhere of Atlantis*

*sunk like haystacks, or sandstone barns,
the ark mouldering on Ararat,
Noah brewing a can of worms,
dead to the reign of the microchip.*

The harrow's rusty and fast asleep: these tyres have seen a better day. Cradled in weeds, even the skip needs another skip to haul it away

*Something waves a careless hand
from the boundary, smothered in ferns.
One stone leans on another stone.
It is better to marry than to burn.*

This poem comes from William Scammell's latest collection, his ninth: *All Set to Fall Off the Edge of the World*. It is published by Flambard Press (price £6.95) at Stable Cottage, East Fourstones, Horham NE 47 5DY.

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Water firms pollute rivers every week

By Michael McCarthy
Environment Correspondent

WATER companies should face fines of up to £500,000 for persistent pollution, so that their boards and shareholders sit up and take notice, Ed Gallagher, chief executive of the Environment Agency, said yesterday.

In an outspoken attack on the environmental record of the ten biggest water firms, which he said was "appalling, and getting even worse," he criticised the small fines imposed on them for pollution offences, which this year average £4,300.

To companies with massive profits - this year likely to total £2bn - such sums were "small change", he said, adding: "Fines should run into six figures, with half a million pounds for the worst offenders."

Under the Water Resources Act, 1991, Crown Courts have powers to impose unlimited fines on polluters.

Mr Gallagher's broadside, in which he revealed that the companies have been found guilty of polluting rivers, streams and bathing waters on average once a week so far this year, came as they began unveiling their annual financial results, which are expected to show record profits and record dividend payments to shareholders.

So far this week Anglian Water has reported profits up from £249m to £274m and a dividend increase of 13 per cent; United Utilities, which includes North-West Water, has reported profits up from £444m to £461m and a 9.5-per-cent dividend increase; and South-West Water reported profits up from

£119m to £122m, and a dividend increase of 11.5 per cent.

The companies as a whole are expected to show a dividend increase averaging 11 per cent.

Last year the average household's annual water bill increased by nearly 6 per cent to £245.

But as profits, dividends and bills go up, so do the pollution incidents.

The Environment Agency, the principal pollution watchdog in England and Wales, has successfully prosecuted eight out of the ten water and sewerage companies in England and Wales for a total of 22 water pollution offences since January 1, and all ten companies have been found guilty by the courts in the past year.

"The rate of one prosecution a week is absolutely unacceptable," Mr Gallagher said. "The largest fine we have had so far was on the Severn Trent company in 1996, and that was £175,000."

"Yet it was the equivalent of a person earning £30,000 a year being fined £15. It was for the company's 42nd offence, and I really believe it should have been £500,000, based on persistent pollution and the level of environmental damage done in that case."

Nearly all the incidents prosecuted this year related to illegal discharges of raw or partly treated sewage or sewage effluent into rivers, streams and bathing waters.

Poor operational management and maintenance were behind many of the incidents, the agency said, with pumping failures, sewer bursts and blockages of sewer overflows the cause in



Pollution takes its toll of the local fish population in the river Derwent in Derbyshire

a number of cases. In a case heard on 7 May this year, Wessex Water was found guilty of discharging over 1 million gallons of raw sewage into a Weymouth, Dorset, marina on August Bank Holiday Monday

1997, the busiest day of the year. The company - profits last year £130m - was fined £5,000 with £500 costs.

"That's pretty serious pollution and it should be punished with a fine of a lot more than

£5,000," Mr Gallagher said. "That's peanuts."

Brian Duckworth, managing director of Severn Trent and chairman of Water UK, the trade association for the 10 large water companies, hit back

at Mr Gallagher's charges last night. "All pollution incidents are to be regretted whatever the reason," he said. "But no one is actively doing more to improve the quality of our rivers and coastal waters than the

water companies." More than half the £21bn invested by the industry since privatisation in 1989 has been focused on improving sewage treatment and the sewerage system itself, Water UK said.

Inquiry over arrest of au-pair's lawyer

POLICE in the United States have ordered an investigation into the drink-driving arrest of one of Louise Woodward's defence lawyers amid a row over claims that she told police she now believed the au pair was guilty.

Friends of the Woodward family from Elton, Cheshire, yesterday dismissed the allegations, said to be contained in a police sergeant's report on the arrest of Elaine Whitfield Sharp, 44, in Boston last Friday.

Ms Whitfield Sharp has denied "appalling" claims that she told the officer she was under pressure because she had come to believe that Ms Woodward, 20, was guilty of the manslaughter of Matthew Eappen.

Fresh claims about the UK-born lawyer's arrest were disclosed yesterday. The report by Sgt Randy Cipolletta is understood to say that Ms Whitfield Sharp was glassy-eyed, "belligerent" and "abusive" when she was stopped in her Alfa Romeo in the suburb of Lynn.

The report says that at the police station she refused a breath test and lowered herself to the floor, thrashing her arms about. She is alleged to have told the police of Woodward: "I thought she was innocent but now I know she is guilty and I can't handle it."

The report claims that when two medics arrived to take her to hospital because of her condition she threatened them and hit one of them in the ambulance.

But Ms Whitfield Sharp said at her home in Marblehead, outside Boston, where Woodward has been staying since her trial, that she had suffered a seizure at the police station because of medication she had taken for her meningitis, caused by an old brain injury.

Woodward is awaiting result of a Supreme Court appeal hearing that will decide whether she is freed or sent back to jail.

TV watchdog fails to clarify code for portrayal of gay sex

By Janine Gibson
Media Correspondent

BROADCASTERS who have been lobbying for new guidelines on the portrayal of gay sex on television are expected to be disappointed next week when a new code is published.

The Broadcasting Standards

Commission, the television watchdog, is due to publish a new code on taste and decency in television next week and had considered a new clause to state to viewers that the portrayal of gay sex on screen is not grounds for complaint on its own.

But the BSC is understood to have rejected the clause in its

final draft of the code, which as well as providing for viewers who wish to make a complaint also acts as guidance for all the UK's broadcasters over what they may broadcast.

Broadcasters had asked the BSC to include the clause to clarify the watchdog's position on the representation of ho-

mosexual sex on screen. A broadcaster involved in the construction of the code said yesterday: "It was suggested that such a clause be inserted, because we thought the code should include a positive statement. We have to deal with complaints that would never have been made about hetero-

sexual behaviour. For example, if *The Bill* features a female rape, nobody bothers, but if it's a male rape, people complain."

Peter Tatchell, spokesman for the gay rights group OutRage!, said: "The BSC apparently believes that gay sex is more offensive than straight sex. Standards of taste and decency should apply equally without discrimination."

The portrayal of any gay activity on screen, however, tends to attract a certain level of complaints on taste and decency grounds from viewers.

The BSC has tended in the past to base its rulings on the degree of explicitness on the sex portrayed rather than the sex of the participants.

The BSC, which is chaired by Lady Howe, yesterday published a report criticising Channel 4's *TV Dinners* for showing a family eating a human placenta.

A spokeswoman refused to comment on the contents of the code until it is published next week.

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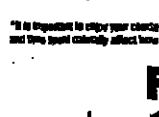
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Councils failed to check on childcare

By Roger Dobson

FOUR councils in north Wales where childcare has been at the centre of various abuse inquiries for more than seven years have been criticised by the Welsh Office for failing to inspect child minders.

Under the Children Act, drawn up to protect and safeguard young people, councils have a statutory duty to inspect, at least once a year, carers who look after young children to make sure they are doing the job properly.

The Welsh Office found, however, that eight out of the 22 social services departments in the principality had not inspected a total of more than 1,000 registered child minders and they have been asked to explain their failure to do so.

"We have been very disturbed by the results from our first monitoring of inspections in day care for under-eights," says a report to councils from the Welsh Office Social Services Inspectorate. "The chief inspector of social services in Wales has reminded the authorities of the statutory duties under the Children Act and expressed the department's concern at the large-scale failure of these authorities to discharge their duties in this important area of safeguards for children."

In north Wales, four of the local authorities failed to inspect some 250 minders at a time that the North Wales Child Abuse Tribunal was being set up to investigate widespread allegations of abuse by carers.

In his closing speech to the tribunal, Merfyn Hughes, QC, representing all the councils in north Wales, reassured the chairman, Sir Ronald Water-

house, that the new authorities recognised the weaknesses of the past. "Now, having listened to the allegations of abuse of the children in care, they are renewed in their determination to ensure that never again will there be such evidence of failures to protect children on the scale which has been placed before you," he said.

But the Social Services Inspectorate report reveals that in the year 1996-97 - which covered the opening period of the inquiry - four of the councils in the area that had been Clwyd and Gwynedd before local government reorganisation were not carrying out their statutory responsibilities to protect children by inspecting child minders.

The report shows that Gwynedd council inspected only 25 out of 156 minders; the Isle of Anglesey, 25 out of 88; Wrexham, 40 out of 89; and Denbighshire, 42 out of 78.

In south Wales, Swansea failed to inspect any of its 249 registered child minders during the year, while Cardiff managed to look at only 101 out of 647.

Hugh Gardner, secretary of the Association of Directors of Social Services in Wales, said yesterday: "Clearly it is an important duty and is something we will be looking at urgently to ensure we fulfil our statutory duties. There is a statutory duty to inspect under the Children Act and what has happened is that there wasn't adequate resources for implementation of the Act."

Pat Davies, an early years specialist with the Children in Wales organisation, said: "One of the keys to quality is regular inspection and support and it is very worrying it is not happening."

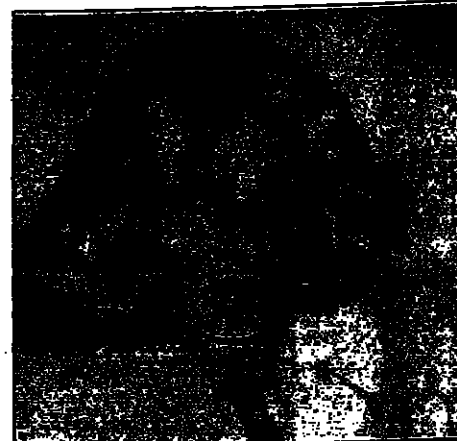


Warhol scene arrives in town

"FASHION wasn't what you wore someplace anymore; it was the whole reason for going," said the late Andy Warhol, writes David Lester. Yesterday an exhibition on The Warhol Look opened at the Barbican Centre in London. Running until August as part of a year long celebration of American culture, the exhibition, drawn from The Andy Warhol Museum's vast collection, encompasses paintings, cloth-

ing, photographs and reconstructed window displays to give an insight into Warhol's life and work, and the New York social scene from the 1950s to the 1980s.

On Saturday 4 July the Barbican will re-create Warhol's famous Factory, where his paintings and other works were worked on by the artist and his staff. The re-creation will include a screen-printing workshop complete with drag artists.



Exhibits from the Andy Warhol show which runs at the Barbican Centre in London until August (clockwise from top left): Mick Jagger, 1972; self-portrait, 1981; Marilyn dress by Versace, 1991; Banana dress, 1966; Shoes, 1980; Liz, 1965 Flowers, 1964



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Heads call for reform of teachers' pay system

By Ben Russell
Education Correspondent

TEACHERS should be given performance-related pay rises based on annual assessments of their work in the classroom, the head teachers' leader proposed yesterday.

David Hart, general secretary of the National Association of Head Teachers, told heads meeting in Eastbourne that they should assess teachers individually before awarding pay increases above the current maximum of £23,000 a year. He said moving to such a system was the only way of persuading ministers to fund substantial rises for classroom staff.

Mr Hart told the union's annual conference: "Classroom teachers should only move further up the grade to a maximum of £31,000 if the head certifies each year that they have demonstrated sustained fully acceptable teaching skills during the year."

"I believe that this type of performance judgement would be infinitely preferable to crude performance-related pay approaches which the profession rightly rejects. It is a price worth paying for a salary structure which would attract good honours graduates. It will reward properly a majority of the profession, not just a tiny minority."

Mr Hart said that heads should consider teachers' classroom performance, success at maintaining discipline and other aspects of their work, as well as the exam results their pupils achieve.

He said salaries of up to £40,000 should be available for teachers with the greatest responsibilities.

Teachers' leaders accepted the idea in principle. Eamon

O'Kane, deputy general secretary of the second largest teaching union, the NAS/UNITE, said: "We recognise there will come a stage where employers might say in order to progress further along the pay grade we have to be satisfied that teachers are performing satisfactorily."

"We accept that in return for a reasonable pay scale there might have to be a review of teachers' work."

At present, classroom teachers get pay increases for every year of service up to a £23,000 ceiling. Further rises are based on staff taking on additional responsibilities although heads have limited discretion to make pay awards based on merit.

Mr Hart said £3.1bn needed to be injected into schools before the next election to cover the new pay structure, fund an expansion in the number of computers in schools and pay for better special-needs education.

He said "The decline in spending over the last five years has to be reversed. Settlements which short-change schools on pay and inflation can no longer be tolerated."

Head teachers also demanded yesterday that David Blunkett, the Secretary of State for Education, should "take on" the Church of England and stop insisting on daily prayers in school.

Mr Hart said it was hypocritical to place a legal obligation on schools to hold a daily act of collective worship. He said the law was "an ass" and he would be seeking a ministerial review of the issue.

An estimated 70 per cent of non-denominational secondary schools and 10 per cent of primary schools break the law by failing to hold an act of worship for their pupils every day.



Debbie Harry and the jazz Passengers rehearsing for last night's performance at the Barbican. Below: Blondie in their heyday. Main photograph: Peter Macdonald

Blondie legend swings back into vogue

By Linus Gregoriadis

DEBBIE HARRY, the face of the Seventies pop group Blondie, sang for a jazz band at the Barbican in London last night after confirming that her pop comeback plans were in full swing.

Blondie, who split up nearly two decades ago after a succession of smash hits in Britain including "Hanging on the Telephone" and "Heart of Glass", have been working on a new album and are also planning a world tour.

Ms Harry, 53, who has been touring Britain this week with the Jazz Passengers, said she was excited about resurrecting her Blondie career. She said: "I think it's terrific. I think it's really great music. It's just seemed to work out that way. It's just fortunate I suppose."

The group, who are preparing the ironically-titled album *No Exit* for release this autumn, first hit the limelight in 1976 and have sold more than 40 mil-



lion albums.

Ms Harry admitted it would be hard to recreate her former glories when her platinum blonde hair helped to make her a sex symbol.

She said: "I'm not going to make any

shot at being the latest and the hottest pop star," adding: "It's flattering that even they should remember Blondie."

The singer, who has reunited with other band members Clem Burke, Jim-

Chris Stein, said that a reunion had once seemed like an impossible prospect. She said: "I think there was probably a time in about 1985 or 86 when I thought I would just never ever have to think about those songs, but musically I think that I love them."

Blondie are following in the footsteps of pop icons like the Sex Pistols, the Eagles and Robert Plant who have all tried to recapture their former success.

Members of the band planned to make their new album with EMI, but changed to another label because they wanted to record new tracks rather than just re-release their old hits.

The popularity of songs such as "Heart of Glass" and "Atomic" in nightclubs has already sparked a Blondie revival in this country. Chris Stein is behind the revival.

Unfavourable record contracts in the past meant that the group never became as wealthy as their fame warranted.

Sir Elton honoured for Diana tribute

By David Lister
Arts News Editor

SIR ELTON John was honoured by the music industry for his Diana, Princess of Wales tribute song "Candle In The Wind 1997" - the biggest-selling single of all time.

He was presented with a Silver Ivor trophy along with his co-writer, the lyricist Bernie Taupin at the Ivor Novello awards yesterday. Sir Tim Rice, president of the British Academy of Songwriters Composers & Authors, handed over the award at the Grosvenor House hotel in London.

Radiohead scooped two of the top prizes. The band won the Best Contemporary Song prize for "Karma Police" at the country's leading awards ceremony for songwriting and composition. Its hit single "Paranoid Android" also won as Best Song Musically & Lyrically.

"Picture of You", the song co-written for the film *Bean* by Boyzone's Ronan Keating, was awarded Best Original Song for a Film or Broadcast.

Other winners included the film *Romeo and Juliet*, which was judged the Best Original Film Score and Olive's "You're Not Alone" being voted the Best Dance Music.

Shirleen Spiteri and John McElhone, of the Scottish band Texas, were commended for the Best Song Collection. Morrissey was presented with the Outstanding Contribution to British Music award and Richard Ashcroft of Verve was Songwriter of the Year.

The International Achievement award was won by Enya, Nicky Ryan and Roma Ryan. Singer Sting's "I'll Be Missing You (Every Breath You Take)", performed by Puffdaddy, topped the poll for the Most Performed Work prize.

The Ivor Novello Awards are presented by the British Academy of Songwriters, Composers and Authors. The winners are chosen by committees of voters made up of composers from a range of musical genres.

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Sir Elton
honoured
for Diana
tribute

By David Lister

ELTON JOHN has been
honoured with the
OBE for his services to
music and charity.
The singer, pianist and
composer was made a
Member of the Order of
the British Empire in
the New Year Honours
list. Sir Elton, 51, has
won five Grammy awards
and 10 Brit Awards.
He has also been
honoured with the
CBE in 1997 and the
OBE in 1998. Sir Elton
has been married to
Diana Krall since 1993.
The couple have two
children, a son and a
daughter. Sir Elton
has been a member of
the Royal Academy of
Music since 1997. He
has also been a member
of the Royal Society of
Music since 1998. Sir
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'Fundamentally flawed': how Britain's senior European Commissioner describes the Conservative leader's opposition to Europe



Sir Leon Brittan: EMU is 'great for Conservative policies' Photograph: PA

You're wrong on Europe, Brittan warns Hague

By Fran Abrams
Political Correspondent

SIR Leon Brittan confronted his party leader head-on over Europe last night, claiming William Hague's opposition to the European Union was "fundamentally flawed".

In a speech at the Carlton Club in London, Britain's senior European Commissioner said criticism of the EU by the Conservative leader last week did not stand scrutiny.

"Let us not be sidetracked by a shrill and emotional reaction to economic and monetary union. It is both a logical extension of the single market in Europe and a natural complement to everything the Conservative party has stood for in the last two decades," he said.

In Fontainebleau last week, Mr Hague said the EU was a 50-year-old solution to post-war problems which was not necessarily applicable to the future. It had been set up for six member states and its structures might not be suitable for further enlargement.

Last night Sir Leon, who was delivering the RA Butler Lecture, accused Mr Hague of characterising the EU as "corporatist, state-centred and high-sounding". His party leader's view seemed to assume that member states were to be forced into a strait-jacket causing serious social unrest, he said.

"I strongly believe that the characterisation of the European Union in these terms is a fundamentally flawed anachronism itself. In many ways, William Hague is applying a 1980s vision to a simplified caricature of the European Union of the 1970s. It is not Europe that is out of date, but the perception of what is actually happening in Europe today," he said.

Sir Leon argued that EMU would be a great vehicle for the export of Conservative economic policies such as fiscal discipline, privatisation, deregulation and liberalisation.

"Why is it then, that it is precisely the party which was at the forefront of these policies, and indeed invented them in many

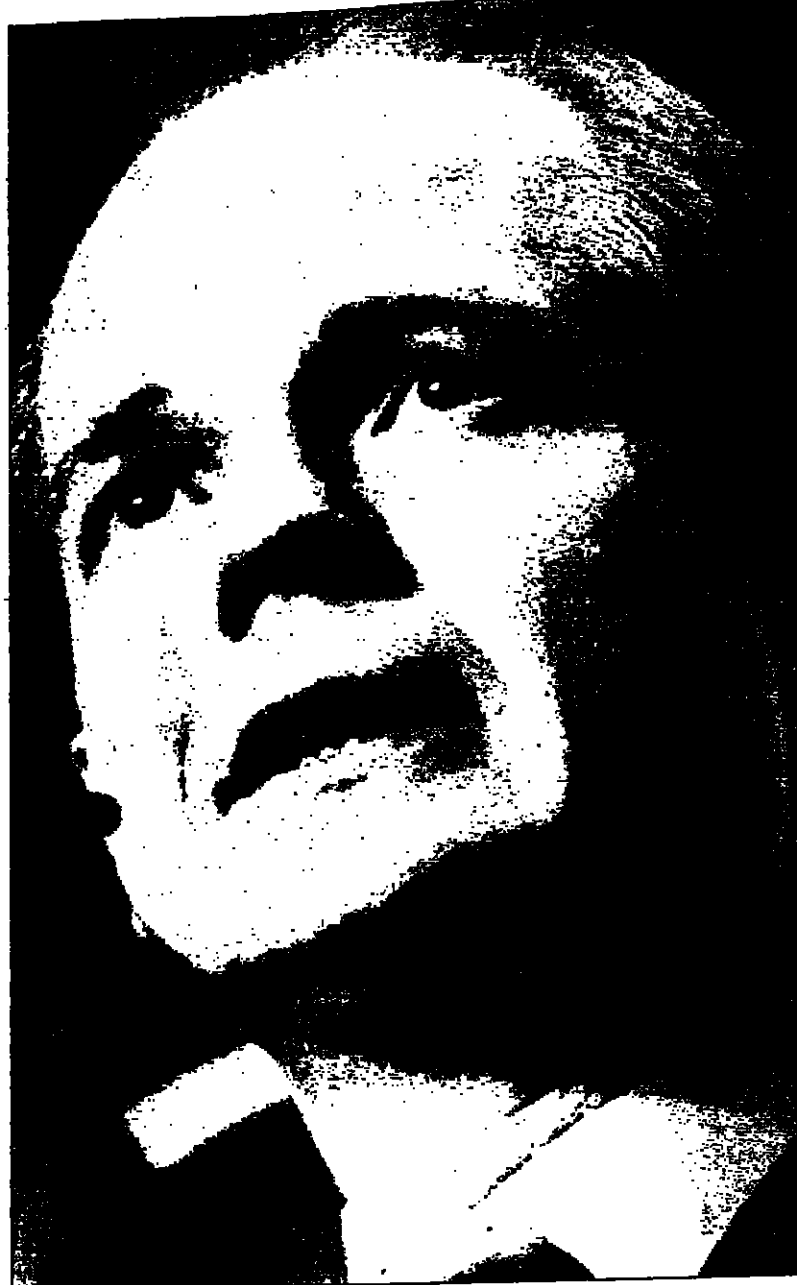
cases, which now seems determined to turn its back on its own greatest achievement?" he asked.

Last night a Conservative spokesman said the speech was made in Sir Leon's official capacity as vice-president of the European Commission, and not as a party member. Mr Hague would not be responding, he added.

"As a member of the Commission he is politically neutral and is not supposed to be biased towards any party. He is defining policy as the Commission would expect him to do," he said.

The spat is likely to continue next week when Mr Hague addresses a meeting in London of leading businessmen opposed to European economic and monetary union.

More than 100 senior figures from the world of business and commerce will be at the launch of an 80-page critique rejecting the single currency on economic terms. Mr Hague intends to put the political arguments against British membership of EMU.



William Hague: 'a 1980s' vision' of EU Photograph: Kevin Lamarque/Reuters

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Michael Cashman: Hopes to tread corridors of power

Actor set to take the political stage

By Fran Abrams

THE former *EastEnders* soap star Michael Cashman is turning his back on the telly for Labour. The actor, presumably tired of the jostling of egos in his first profession, has decided to become a full-time politician.

Mr Cashman has made dual applications to become a Euro-MP and to sit on Labour's National Executive Committee. If he wins both he is likely to have to give up the NEC seat because it is reserved for ordinary members.

Rumours that his candidacy had been backed by the Labour leadership have been denied. Officials at Millbank Tower, the party's headquarters, said there would be no official slate in the NEC election.

Bizarrely, neither of Mr Cashman's applications mention his most valuable asset - his long-term tenure of a flat in Albert Square.

His nomination paper for a place on the London candidates' list for next year's Euro-elections discloses that he joined Labour in 1976 and that he set up a "celebrity unit" which dispatched well-known figures to key seats during the 1997 election campaign.

Under "other life experience" he describes himself as "trade unionist and deputy (shop steward) since 1967. Elected council member of Equity 1994-98." Mr Cashman also lists a number of television and radio appearances including BBC's *Newsnight*, Radio 4's *PM* programme, BBC1's *Question Time* and local radio.

"The reason I joined this party 22 years ago remains the same: we can make Britain and the world a better place for everyone. That is why I want to represent you. But we must be realistic about the changes that an MEP can effect. Wild promises count for nothing," he wrote.

Straw halts voyeurs' strip search law

By Anthony Bevins
Political Editor

A NEW law allowing men to watch girl offenders as young as 12 being strip-searched, has been frozen on the personal direction of Jack Straw.

The Home Office blunder was first spotted in March by a parliamentary committee of MPs and peers.

The Joint Commons and Lords Committee on Statutory Instruments - which vets rules and regulations pumped out by the Whitehall machine - pointed out the problem in a memo to the Home Office.

Questioning new rules for escorts accompanying young offenders from court to secure training centres, it said: "No provision is included prohibiting an offender from being stripped and searched in the sight or presence of an officer who is not of the same sex as the offender."

Even then, Home Office insensitivity was so great that alarm bells did not ring. Officials defended the rules as they stood - and the possibility of girls aged 12 to 16 being stripped and searched by a woman escort with male escorts witnessing the process.

A Prison Service spokesman said yesterday that officers of the opposite sex were not allowed to watch adult prisoners being strip-searched.

Replying to the committee on 31 March, the Home Office said: "It is considered essential to provide that a search may only take place when at least two officers are present. This is for the

protection of both the offender and the officers concerned.

"Wherever possible, only officers of the same sex as the offender will be present." But it then added: "The contract for the provision of escorts requires only one person of the same sex as the offender to be available for escort duties... as there will not necessarily be more than one female custody officer available at any one time."

The committee was not satisfied, so it took the unusual step of asking Home Office officials to attend for oral questioning.

According to a report published by the committee yesterday, Hilary Jackson, head of the Home Office Juvenile Offenders Unit, told the committee on 28 April: "We have now looked at this again in the light of the concern and the Home Secretary... has agreed and decided that we ought to change the rules to make certain that there will always be two custody officers... of the same sex."

"The Home Secretary has agreed and does think that it is important that it is made clear in the rules."

Andrew Bennett, Labour MP for Denton and Reddish, then pointed out that the regulations had come into force on 15 April, but he was told by Teresa Burnham, the Home Office official in charge of the secure training centre project that the escort contractors "have no intention of using other than the same sex to do the searching. They have given us an absolute guarantee that will be the case until the rules are changed."

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IMF quibbling brings Russia's financial crisis to boiling point and hands weapon to President's foes. Phil Reeves in Moscow reports

Yeltsin scrambles to rescue rouble

RUSSIA still faced the spectre of a full-blown rouble crisis last night as its panic-prone markets waited fretfully to find out whether the outside world will help Boris Yeltsin in his mission to defend the battered currency.

The President yesterday sought to head off turmoil by appearing on television with assurances that Russia had enough reserves to avoid financial collapse, and to announce plans to crack down on corporate tax dodgers by confiscating their assets.

But one of his officials, Deputy Finance Minister Oleg Vyugin, made it clear that the country was still on the brink, and could need a large new loan from the International Monetary Fund. Although Russian shares rose sharply and the rouble strengthened – both buoyed by the tripling of interest rates to 150 per cent – it was clear the crisis had eased but not ended.

Russia is the victim of a combination of bad luck, its own incompetence, the stifling legacy of the Soviet system, and – unexpectedly – international Monetary Fund policies. The plunge in world oil prices and the melt-down in Asia are external factors beyond its control, but both have been damaging to the budget and confidence in the economy.

The dismal record of tax collection is ultimately the government's responsibility. Mr Yeltsin's abrupt decision to sack the government of Viktor Chernomyrdin in March, replacing his prime minister with an unknown 35-year-old, also rattled investor confidence, and must – until its protégé proves otherwise – be talked up as an own goal.

Less blame can be attached to Mr Yeltsin and his team for the historical burden on the public purse of millions whose jobs are no longer able but who still receive the perks of the Communist welfare system, on free housing to kindergartens, but, too, is a crucial factor.

But there is another player whose role has helped bring the crisis to a boiling point: the IMF, the very body urged by Western nations with offering Mr Yeltsin a helping hand in a transition to a market economy.

For days, the panic-stricken markets have been waiting to find out whether the IMF would approve the next \$670m (£410m) tranche of a \$9.2bn loan to Moscow. Instead of doing so, the fund has chosen to quibble with the new government over its fiscal policy. The Prime Minister, Sergei Kiriyenko, wants to concentrate on cutting expenditure. The IMF favours trying to collect more taxes. In more stable circumstances, haggling with debtors over economic policy is part of the fund's duty. But now was not the time. When the markets needed to be reassured, the fund has prevaricated, deepening the mood of panic and bringing the rouble under increasing pressure.

"If the currency goes down, then the IMF is completely culpable," said Al Breach, of the Russian European Centre for Economic Policy. "Both sides agreed on the need to cut the budget deficit. Is it the IMF's job to tell the Russians how to do it? Isn't that the job of sovereign government?"

In doing so, the IMF was taking a considerable gamble. If the rouble eventually collapses, or is devalued, Russia's reforms will be in tatters. Unable to raise money by borrowing, the government would be forced to print cash. With that and soaring shop prices (about half Russia's consumer goods are imported), multiple-digit inflation would loom again, reviving memories of the early 1990s when millions of Russians saw their savings vaporise overnight. Mr Yeltsin's principle economic achievements – stabilising the currency and bringing inflation under control – would be in ashes.

There would also be a political price tag. Russia's 147 million population is famously long-suffering, but there are signs that public protests are now hardening and becoming more effective. Thousands of coal miners – the force who helped winkle Mikhail Gorbachev from power – demonstrated their industrial muscle this month by blocking rail lines across the country, severing the Trans-Siberian artery route and bringing hundreds of trains to a standstill



Despite the currency crisis, Boris Yeltsin jokes yesterday with Lesotho ambassador Seymour Ratselisile. Photograph: Sergey Chirkov/EPA

for 10 days. Such resentment, shared by many millions of unpaid workers and pensioners, would deepen.

So, too, would the pressure on Mr Yeltsin and the temptation for him to blame others for his government's mistakes. Past performances reveal that he is ready to sacrifice reform-minded ministers and replace them with reactionaries if the public mood is ugly enough. Mr

Kiriyenko's term in office may yet be brief.

It is not impossible that the President's own position would be threatened. The conditions, however, remain in his favour: there is no single, organised powerful opposition voice in Russia, parliament is constitutionally weak, and the victims of market reforms are spread over a vast territory. The record of his Com-

munist and nationalist opponents is one of barking rather than biting. That said, the unsettling silhouettes of the mayor of Moscow, Yuri Luzhkov and General Alexander Lebed – both nationalist-leaning leaders tipped as future presidents – loom on the skyline.

In the end, the West seems certain to support Mr Yeltsin in keeping his opponents at bay. Yesterday,

Mr Vyugin indicated that the IMF may have to help out with support "on a different scale" to its \$670m tranche. But the IMF has so far sounded unenthusiastic. Mr Yeltsin plans to call US President Bill Clinton and German Chancellor Helmut Kohl to ask them for "moral support". They may also find themselves digging into their pockets to help their old Siberian friend.

Baptism of fire for the new PM



ONE month into one of the world's toughest jobs, Sergei Kiriyenko, above, the 35-year-old Prime Minister of Russia, is undergoing an initiation test that could easily destroy an official of twice his experience.

When he was appointed out of the blue by Boris Yeltsin, Moscow's political elite erupted with complaints that he was a provincial greenhorn, a former banker and refinery manager who lacked the experience to cope with Russia's plethora of economic problems.

Twice, the Russian parliament refused to confirm him, before finally caving in at the third and final confirmation hearing last month.

Since then, however, Mr Kiriyenko has found himself immersed in an economic maelstrom, with a teetering rouble, panicky markets and an economy battered by low oil prices and the Asia crisis.

Although he has won respect – particularly in the West – for being decisive and dynamic (neither of which were qualities of his predecessor, Viktor Chernomyrdin), he has chalked up one big error.

He insisted on going ahead with this week's sell-off of the state oil giant Rosneft, despite complaints from potential buyers that the price was too high.

In the end, no one bid – delivering a serious blow to market confidence. His future will now depend on whether Russia survives its current crisis.

When he arrived in office, looking like an owlish schoolboy, he revealed that he likes dangerous pastimes. Just as well. He has got one now.

Nato places security ring around Kosovo to avert wider conflict

Rupert Cornwell

FRESH fighting flared up in the Serbian province of Kosovo, the Nato allies yesterday announced plans to boost their military presence in neighbouring Albania and Macedonia, and signalled that necessary they were ready to intervene directly in the disputed province to prevent a second Bosnian war.

Meeting in Luxembourg yesterday, the 16 Nato foreign ministers laid the foundations that they hope will be a corridor to prevent the widening conflict between

Kosovo's ethnic Albanians and its Serb rulers in Belgrade from spilling over into a wider regional conflict.

As a first step, Nato will conduct a land-air exercise in Albania this August and expand an already scheduled exercise in Macedonia. Thereafter, the alliance peacekeeping forces will be strengthened in both countries. In Macedonia an 800-man US force is already in place; for Albania, the plans call for a force of up to 7,000 men which could be deployed there if needs be.

The moves reflect growing anxiety on all sides at the

steadily deteriorating situation in Kosovo, an anxiety shared even by Russia, which refuses to support most Western sanctions imposed on President Slobodan Milosevic of Yugoslavia to force him into meaningful talks with the province's Albanian majority.

Last night new tension gripped the region after four ethnic Albanians were reportedly killed on Wednesday, three when their car was shot at by Serb forces south-west of the capital, Pristina, and a fourth when Serb soldiers shelled the village of Rastanica, close to the border with Albania.

The spectre which haunts the allies is that of another Bosnia, only worse: where repression and "ethnic cleansing" by the Serbs turns into an open war with the Kosovo Albanians, which then drags in the Albanian minority in Macedonia, Albania itself and, if the worst comes to the worst, Bulgaria, Greece and Turkey.

Nato ministers declared they would consider "further deterrent measures, if the situation so requires". The statement did not elaborate, but the sense was plain: no option, even direct military intervention, is being ruled out.

German Net boss convicted of allowing free flow of porn

BONN (AP) — In a surprise verdict that could stunt multimedia growth in Germany, a Munich court yesterday convicted the former head of CompuServe Germany of helping to distribute pornography, by not blocking dirty pictures available on the Internet.

The court convicted Felix Somn even though prosecutors had reversed themselves and asked for his acquittal. In closing arguments, they agreed with the defence that it was technically impossible to filter out all such material on the free-wheeling, global network. But Judge Wilhelm Hubbert

said that contention was "simply false." Reading his decision in court, the judge said CompuServe had let "protecting the young ... take second place to maximizing profits," adding that he wanted the verdict in order to deter other Internet-access providers from doing the same.

The court sentenced Somn to two years probation and it ordered him to pay 100,000 marks (\$57,000) to charity.

His defence attorney Wolfgang Dingfelder called the verdict "complete rubbish" and promised an appeal. Internet experts warned that

the ruling could be highly dangerous for Germany's developing multimedia industry, which has been promoted as a source of growth and jobs for the 21st century.

Joerg Tauss, a federal lawmaker from the opposition Social Democrats, called it "a catastrophe" that would "ruin the Internet in Germany."

Christopher Kuner, a Frankfurt attorney representing several multimedia firms, said it might make some reconsider doing business in Germany. "It's going to create a sort of chilling climate in terms of new investment," he predicted.

Even the prosecutor, Franz von Hunolstein, said the decision would have "very clear economic effects." The case began in December 1995 when Bavarian prosecutors searched CompuServe offices as part of an investigation into online pornography.

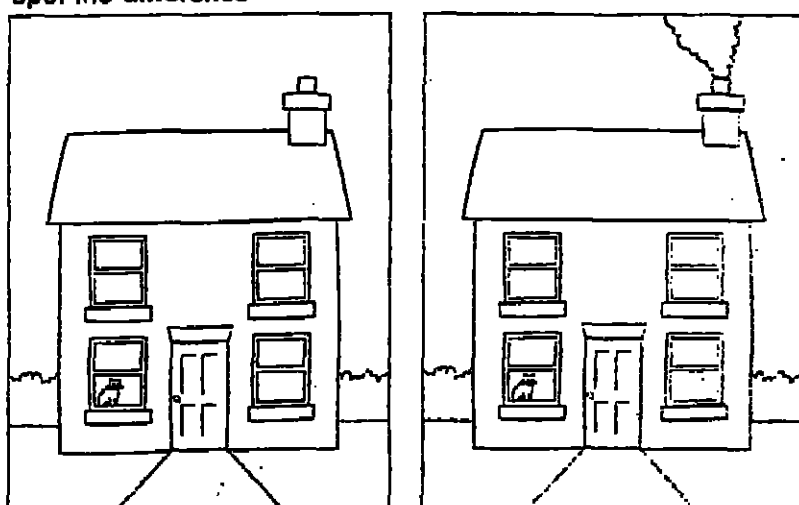
Mr Kuner said the verdict showed that Germany's wide-ranging multimedia law, which government officials said would provide a boost to the industry when it was passed last year, was too vague. "The law was touted as removing the possibility for this happening. 'This is going to have a very bad effect,'

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Italy faces a new Albanian armada

By Anne Hanley
in Brindisi

IT IS a still, windless night in the narrow strip of water which separates the southern Italian port of Brindisi from Albania, and there is little moving except for the fishing vessel making its way out into the Adriatic.

"There's quite a swell over the other side," says Michele Saracino, captain of coastguard launch 255. "Only a couple of boats have put out tonight. It's going to be slim pickings."

The pattern in cross-Adriatic traffic is different now from a year ago, when leaking boats, dangerously low in the water, ar-

rived in Italian ports carrying desperate Albanians fleeing the anarchy at home. The occasional large vessel still arrives: yesterday a Turkish boat dumped 140 Kurds on a beach near Reggio Calabria.

But most of today's illegal immigrants cross in big rubber dinghies with powerful outboard motors. Owned by Albanian crime outfits, the boats line up on beaches near the Albanian ports of Durres and Vlore waiting for trade.

With a full complement on board - 20 or 30 passengers each paying one million lire (£350) for a trip which can take as little as two hours - they set out for El

Dorado on the other side of the Adriatic.

"At this time of year, with fine weather, 10 boats or more make it across to this part of Italy every night. It is well organised and they know there's very little we can do," says Giovanni Biso, head of the Brindisi harbour-master's office.

"They are in small, fragile boats. We're in launches. We can't force them to stop; any brusque manoeuvring, and we send a boatload of people to the bottom. I'd rather not have that on my conscience."

Many boats carry arms, or drugs, as well as humans. Some make unscheduled stops not far

off the beach to allow lurking partners in crime to strip their passengers of valuables.

Brindisi is warned of departing boats by Italian coastguards patrolling off the Albanian coast, or by Italian navy ships in mid-Adriatic. On this particular night, three boats will leave Durres and four Vlore, but all will be driven back to harbour by strong winds.

"When they make it across we catch up with them on this side and follow them to the beach, notifying police on land, who pick them up," says Biso.

"Or at least that's the theory."

In fact, the commander admits, only about 20 per cent of

the hundreds of illegal immigrants who make it on to Italian beaches in southern Italy every night are caught, and subjected to the tough immigration rules approved in March. Albanians are put on the next ferry home.

"They turn up again a few nights later," Biso says. "The fee for their passage across gives them the right to a certain number of shots, not just one."

The pilots of the boats, if caught, are dragged before magistrates and given prison sentences technically up to 15 years.

But they rarely exceed three. Many non-Albanians, especial-

ly the growing number of Iraqi Kurds, apply for asylum. Others get their marching orders immediately but have two weeks to leave the country.

Few use that time to arrange to return whence they came: the security in immigrant detention centres is lax, and hundreds, if not thousands, of inmates are believed to have walked out of them unmolested since the beginning of 1997.

They join the many more who are never caught at all. Italy's Interior Minister Giorgio Napolitano earlier this week said the number of *clandestini* in Italy was at least 24,000. For them, this country is often no

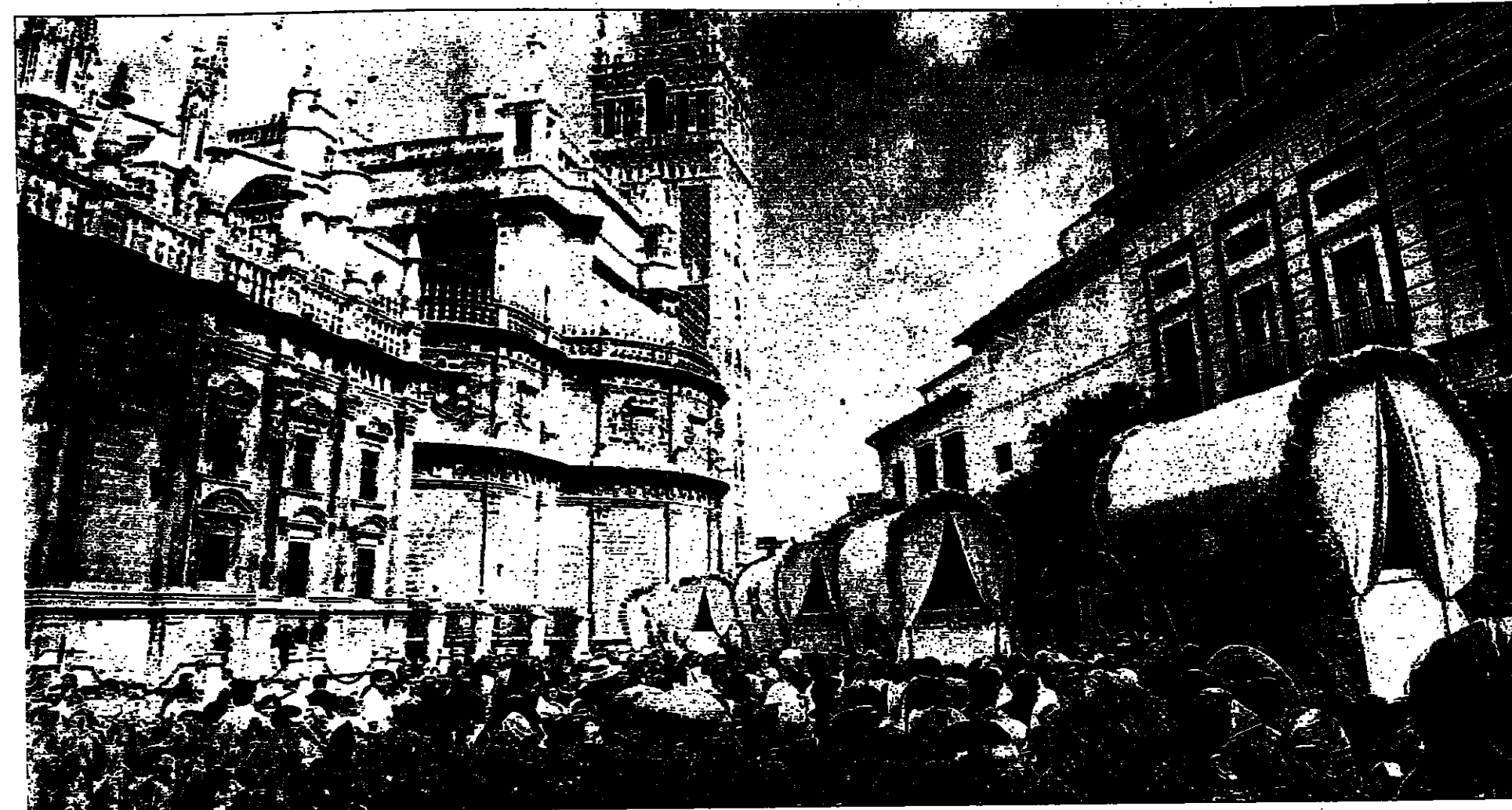
more than a stopover on the way to France or Germany.

"This is a European problem, and not just an Italian one. Yet the whole weight of the thing has fallen on our shoulders," said Biso. "Italy can do all the patrolling it likes up and down the Adriatic, but the problem will never be solved as long as Albanians have no reason to stay in their own country."

In an attempt to give them a reason, Italy's Prime Minister Romano Prodi was in the Albanian capital, Tirana, this week to open a trade fair to boost investment by Italian companies. But his country has a long way to go if it hopes to bring about

an economic miracle on the other side of the Adriatic. "If the flow of *clandestini* is to stop, what is needed is a kind of Marshall Plan for Albania," said Biso. The same thought clearly occurred to Mr Prodi who spoke of his hopes that the explosive situation in Kosovo - the ethnic Albanian region of Serbia demanding independence - might be resolved without bloodshed.

"If Kosovo blows up, the whole region blows up and God knows what will wash up on our shores," said Commander Biso. "Last year's mass exodus of Albanians would be nothing in comparison."



Thousands of pilgrims set out from Seville Cathedral to the shrine of the Virgin of the Rocio in Almonte, negotiating toxic waste on the way

Photograph: Eduardo Abad

Toxic disaster bars Spanish pilgrims' progress

By Elizabeth Nash
in Madrid

ENS OF thousands of people setting out yesterday on Europe's biggest annual pilgrimage to make a five-mile detour to avoid trudging through toxic sludge spilled five weeks ago on a mine reservoir.

The disruption of one of Spain's most religious festivals the Virgin of the Rocio (dew)

in Seville - in which pilgrims arrayed in gaudy finery accompany flower-bedecked, horse-drawn wagons across the Andalusian fields, has brought home the devastation inflicted by the ecological disaster of 25 April, when tons of poison waste gushed towards one of Europe's most important nature reserves, the Coto Doñana.

A highlight of the Rocio pilgrimage is ritual immersion for

first-timers in the waters of the river Guadalquivir. But this year it had to be abandoned. Some pilgrims, loath to quit their traditional route, crossed the stinking river by barge. Earthmovers paused to let them pass before resuming their task of gouging away the toxic mud.

Infuriated by the government's leisurely response to the crisis, the Prime Minister, Jose Maria Aznar, made his first

visit to the scene last weekend, a month after the event.

Meanwhile, the pro-communist United Left (IU) opposition party this week launched a public prosecution of the environment ministry and the Swedish-owned Boliden mine company for what IU's leader, Antonio Romero, calls "the worst ecological crime in Spanish history".

The government has pledged

4.5bn pias (£18m) to cover clean-up costs and promises the mud will be cleared away before the end of October when there is a risk autumn rains could wash the corrosive acids into the Doñana National Park.

The Environment Minister, Isabel Tocino, has announced an eight-year plan to purify the waters that feed the Doñana but said that responsibility for paying for the clean-up - estimat-

ed at up to \$63m - lay with those who caused the spill.

Boliden denies negligence, but has contributed machinery and personnel to help the clean-up operation and will advance up to \$4m to reimburse farmers. It will also buy up the poisoned harvest - up to 9,000 acres have been contaminated by the spill, ruining the livelihood of 2,000 farming families in one of Spain's poorest regions.

Police search house for dead babies

By John Lichfield
in Paris

NO ONE seems to be sure how many babies there might be buried in the garden or the fields beyond. In a grimly distressing operation, reminiscent of the Fred West case in Britain, French police are digging through the garden of a rural slum near Lille, searching for the bodies of at least three, maybe as many as six, new-born babies.

The infants were the product of repeated sexual attacks over many years on the daughter of the house by two of her brothers. The men, aged 35 and 31, confessed to the crimes after they were arrested two months ago for keeping their father in slavery, imprisoned in a rabbit hutch and terrorised by a dog trained to attack him.

The two young men, Didier and Patrick Lefranc, were placed under formal examination for rape and murder yesterday; their allegedly crippled mother, Lucie, 67, sister Patricia, 25, and younger brother, Dominique, 22, face charges of being accessories to murder and failing to report crimes. The father, Paul, 76, has been placed, for his own safety, in an old person's home.

Patricia Lefranc has told police that she cannot recall how many times her brothers got her pregnant but she believes that she had at least three babies. One of the older brothers has admitted murder-

ing the infants; the other denies any part in the murders but admits the other facts.

Neighbours of the Lefrancis, in the depressed former mining village of Illies, south of Lille, described a permanently drunken family, ruled by a fearsome matriarch - "fat Lucie" - and two violent brothers. The father, who was seen pushing his wife along the road in her wheelchair, day and night, and in all weathers, was terrorised by wife and elder sons for years.

The former miner was forced to live in a rabbit hutch and share the meals of a dog, trained to attack him. When police finally intervened, following chance remarks made by the daughter, Patricia, the old man was found to have dog bites all over his body.

Plastic screens have been erected around the Lefrancis' home, while police, using a miniature excavator, search the back garden. If no bodies are found, one senior police officer said, the search will be extended to the surrounding fields.

Paris (AP) - Some French police have avoided arresting pickpockets recently to protest at the government's refusal to pay overtime to salaried officers, a union official said. Union and police officials planning to meet today insisted the dispute would be settled before the onslaught of fans for the World Cup that begins on 10 June. The dispute began early this year when salaried police officers demanded to be paid for extra work.



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Pressure builds on Pakistan to sign test ban

By Peter Popham
in New Delhi

THE FIVE nuclear devices Pakistan exploded yesterday in Rajasthan threatened Pakistan itself with economic collapse, the region with frighteningly heightened tensions, and the world with a new nuclear arms race.

Optimists, however, argued that if national passions in the region can only be held in check, both India and Pakistan could be induced to sign the Non-Proliferation and Comprehensive Test Ban Treaties. Both nations had balked at signing treaties which would have cut off for ever the possibility of testing their nuclear arsenals and becoming declared nuclear states.

Pakistan's explosions, unlike India's, were closely monitored by American intelligence, which unannounced yesterday morning that a nuclear device had been inserted in the ground at the test site, and the hole filled up with concrete. The first of the five explosions took place at 3.30pm.

When the news reached the Indian parliament about an hour later, the lower house adjourned in disarray. A senior Communist deputy declared: "What a mess [Prime Minister] Vajpayee has got us into - this man is not fit to govern!"

On the other side of the border, a grim-faced Prime Minister Nawaz Sharif told Pakistan in a television broadcast that the country had been forced into detonating the explosives by India's tests which had violently tilted the balance of power in the region. Preparing Pakistan for the sanctions that will in-

evitably follow, and the damage they will inflict on the country's fragile economy, he announced that he had decided "to give up the prime minister's palace and go for simplicity..."

"Without sacrifices," he went on, "nations don't stand on their own. This is a golden opportunity to be self-reliant. Even if we have to starve, we must not allow this moment to be wasted."

Pakistan's decision to test was the conclusion of an anguished national debate. The shock of India's tests prompted an immediate demand for Pakistan to respond in kind, both from ordinary people and from the political parties. As the economic implications sank in, however, Mr Sharif's demand for a "national consensus" on the issue paradoxically led to an increasing polarisation of views.

The opportunistic and legally embattled leader of the Opposition, Benazir Bhutto, demanded that India's nuclear facilities be bombed (though not necessarily by Pakistan). One after another, the nation's numerous extremist Islamic parties demanded that the prime minister press the button. But in the press, more and more voices called for saner counsel to prevail.

"Let's not jump into the same well," urged one commentator. "Emotive response to Indian nuclear tests could wreak havoc on the economy," warned one economics commentator. Some suggested Pakistan could enjoy a lucrative halo of sanctity if she refrained.

But the envoys Mr Nawaz sent fanning out across the

world to learn what rewards were on offer for abstinence came back empty handed. Plenty of stick was available, but very little in the way of carrot. No regional security guarantees from the United States, for example. All the world would promise was debilitating sanctions if Pakistan went ahead.

Foreign Minister Gohur Ayub Khan's statement last Sunday that "it was not a matter of if, but when" proved to be the last word. If there had been serious doubts in the Cabinet, the loose-cannon belligerence of Indian Home Minister Lal Krishna Advani, threatening a new offensive in Kashmir, and his colleague, Madan Lal Khurana, reportedly saying that if Pakistan wanted a fourth war "all they have to do is tell us the time and place", must have dispelled them.

Conspiracy theorists even suggested that India's whole strategy was aimed at deliberately goading Pakistan into testing, to drive the old enemy into bankruptcy.

If there is anything worse than the spectacle of two of the world's poorest nations pouring vast sums into nuclear testing, it is that they should start a race to weaponise.

But both India and Pakistan now have suitable indignously developed missiles, India the Agni and Prithvi, Pakistan the Ghauri. The temptation to take the next logical step will be overwhelming. And the 75 per cent of Pakistanis without access to drinking water, and the 44 per cent of Indians living in absolute poverty, will have to learn to wait their turn.



Pakistanis in Lahore celebrating news of the nuclear testing. Photograph: Mohsin Baza/Reuters

Islamabad achieves its balance of terror

By Rupert Cornwell

FOR decades they were five. Three weeks ago they became six, and now they are seven. Pakistan's announcement yesterday that it had conducted a series of nuclear tests in retaliation for India's blasts on 11 May and 13, means it becomes the latest member of the select club of declared nuclear powers. The eighth but as yet undeclared member, of course, is Israel.

Almost a quarter of a century ago, the then Prime Minister Zulfikar Ali Bhutto announced that Pakistan would "eat grass if necessary" to match India after Delhi exploded its first nuclear device in 1974. The intervening years saw a succession of hints, threats and assorted skulduggery pointing unequivocally in one direction: that the country

was on the threshold of going nuclear. Yesterday, it formally crossed the threshold. In all probability it has been able to for the best part of a decade.

The chorus of disapproval around the world was predictable and unanimous: even China, which has unquestionably helped Pakistan build the bomb and the missiles which might carry one, shed the diplomatic equivalent of crocodile tears - expressing its "deep regret" and unease over the gathering arms race.

The economic consequences for Pakistan will be severe - as much as \$2bn (£1.25bn) in lost aid and other funding.

The one hope is that, now a crude balance of terror has been reached, Islamabad and Delhi will now sign the Comprehensive Test Ban Treaty signed by 149 other nations.

US imposes sanctions and cuts lending

By Andrew Marshall
in Washington

THE US moved swiftly to impose sanctions on Pakistan yesterday, after the announcement that it had tested five nuclear devices.

The financial measures will hit the smaller, more internationally dependent Pakistani economy much harder than parallel sanctions hit India.

Bill Clinton spoke to Nawaz Sharif, the Pakistani Prime Minister, late on Wednesday night and begged him not to test, the White House said. America also sent diplomats to the country to persuade Pakistan not to follow India down the nuclear road. But officials had said privately they expected the tests.

"We have no choice but to impose sanctions," Clinton said

yesterday, underlining that "two wrongs don't make a right".

"I deplore the decision," he said, adding that Pakistan had thrown away a "truly priceless opportunity" to receive greater US economic and security assistance. Officials had noted before the tests that with domestic pressure rising after the Indian tests, it would have required an act of enormous political courage for the government not to go ahead. The White House indicated some understanding for Mr Sharif's position, saying that Clinton "has great respect" for him.

The sanctions included a cut-off in US aid and a suspension of official backing for international lending, blocking an estimated \$2bn in funding. Pakistan is at present the recipient of a \$1.3bn loan from the IMF.

Tempers fly as Monica is forced to testify to FBI over Clinton

By Andrew Marshall

THE investigation into Monica Lewinsky's relationship with President Bill Clinton moved up a gear yesterday as she gave evidence to the FBI, and key White House advisers were summoned to testify.

As the investigation draws slowly towards its climax, tempers are getting heated. The White House paints the investigation as a witch-hunt and

complains about repeated leaks from investigators. Ms Lewinsky, 24, went to the FBI field office in Los Angeles to give samples of her handwriting and fingerprints. This is likely to be a step towards calling her to appear in front of the grand jury in Washington which will decide whether there is a case against the President for persuading her to be about an alleged sexual relationship.

Her father said she was a

pawn in a scheme to "get" the President and attacked Kenneth Starr, the Independent Counsel pursuing the investigation. "I would like the American people to know my daughter is a pawn... This is unfair. It is totally unAmerican."

Ms Lewinsky was also accompanied by her lawyer, William Ginsburg, who has also savagely attacked Mr Starr in a magazine article. He implied there had been a sexual

relationship between the two. "Congratulations, Mr Starr! As a result of your callous disregard for cherished constitutional rights, you may have succeeded in unmasking a sexual relationship between two consenting adults," he wrote. But he denied any such implication was intended.

Vernon Jordan, a lawyer and friend of the President, gave evidence for the third time to the grand jury yesterday. He

helped Ms Lewinsky find a job after she left government service. Two other close White House advisers, Bruce Lindsey and Sidney Blumenthal, are also to give evidence after a court decided they were not covered by executive privilege.

The case against the President has been under preparation for months now, with little sign of any forward movement. But Mr Starr has scored a series of small-scale legal victo-

ries that have allowed him to move the case on inch by inch, in what is essentially an investigation that would precede any charges. Mr Clinton has not given evidence, despite being asked several times, reports said yesterday.

What is really at stake in this case is not the existence of a sexual relationship, but whether or not the President and his closest advisers connived at perjury - to get Ms Lewinsky to lie about

her relations with Mr Clinton. Proving that will be a long and complicated business. Mr Starr's investigation has caused increasing unhappiness among some congressmen, because it is costing huge amounts of money. But at the same time it may be helpful for the Republicans to drag things out for as long and possible and leave the President under a cloud.

He wants things to be decided as soon as possible; but

he is clearly unwilling to testify himself.

This means that what has already been a long and winding road that led from an alleged scandal over property - White-water - to Ms Lewinsky may have much further to go before there is any resolution. The evidence so far is that it is making little difference to the way the public sees the President: his opinion-poll ratings continue to top 60 per cent.



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Fall of an icon: Allegations that Daniel Ortega raped his step-daughter have all but destroyed the image of Nicaragua's one-time hero

He led the revolution. Has he got feet of clay?

By Phil Davison

HE was a bookish, short-sighted, bespectacled version of Che Guevara, a young revolutionary whose only romantic touch was the red-and-black silk Sandinista bandana around his neck. The Sixties' style high-heeled boots were not a fashion statement, but simply to lift him up to something like average height.

But Daniel Ortega captured the hearts of the post-Guevara generation when he led the rag-tag men and women of the Sandinista National Liberation Front (FSLN) into Managua in July 1979 after overthrowing dictator Anastasio Somoza in a guerrilla war that had soaked Nicaragua's streets in blood. As "co-ordinator" of the revolution, a man who had spent seven years in Somoza's jails, often tortured, no one batted an eyelid when the Sandinistas appointed him President of Nicaragua, a post he held until world pressure forced him to hold free elections in 1990.

As Sandinista leader, Ortega became the new symbol of revolution 20 years after Guevara and Fidel Castro had overthrown Cuba's dictator, Fulgencio Batista. And with Guevara long dead - killed in Bolivia in 1967 - and Castro deep frozen inside the Cold War - Ortega became the biggest thorn in the flesh of the United States, the focal point of Ronald Reagan's anti-communist paranoia.

His confiscation of property and land, including from American owners, did not add to his popularity in the United States.

Reagan called him a "tin-pot dictator". His successor, George Bush, called him "a skunk at a garden party". Genuinely fearing that the Sandinistas would spread their revolution north, up through Central America and Mexico, Reagan ordered border patrol guards in such cities as Brownsville, Texas, to be on extra alert.

More seriously, using the CIA, President Reagan encouraged and financed the remnants of dictator Somoza's feared National Guardsmen to form the "Contras" - short for "Counter-Revolutionaries" - a right-wing guerrilla group aimed at overthrowing the Sandinistas and restoring a government more

amenable to the Reagan administration. Based across the Nicaraguan border in Honduras and Costa Rica, the Contras launched hit-and-run attacks, carried out massacres and engaged in combat with the Sandinistas, which left tens of thousands of Nicaraguans dead.

Like Castro, Ortega thrived on the Americans' hang-ups. He flirted openly with the Cuban leader and became chummy with Iraq's Saddam Hussein and Libya's Colonel Muammar Gaddafi. And like Castro, his image of pariah to yuppie America made him even more of a hero to socialist-minded youth and intellectuals around the world.

Young people flocked to Nicaragua to help pick coffee beans "for the revolution". Usually sandal-wearing backpackers with little money to spend on hotels with hot water, they became known as "the Sandalistas," revolutionary hippies. Even their Nicaraguan hosts mocked their body odours.

With the decline of the Soviet Union, and an increasingly isolated economy, faith in the Sandinistas faded throughout the Eighties. What had started as a "National Liberation Front" in the jungles of Costa Rica and underground in the slums of cities such as Managua and Leon, had become a disunited party, proven inept at managing the economy. Nicaraguans were increasingly critical of the ongoing war footing - though largely promoted by the CIA-backed Contras - and the conscription and budget needed to maintain an army seen only as a symbol of defiance against the US.

But when Ortega, under worldwide pressure, finally held free elections in 1990, few doubted that his charisma would pull him through for a further six years. Probably because Nicaraguans had learnt to keep their opinions to themselves through years of dictatorship, as well as under the Sandinistas' no-nonsense internal security agents, the polls turned out to be all wrong. Conservative grandmother Violetta Chamorro won easily.

Ortega, now 52, has been oppo-

sition leader ever since, often disrupting public life by organising strikes and regularly threatening to take up arms again, a threat few, if any, Nicaraguans ever take seriously. In 1996 he lost again, this time to conservative Arnoldo Aleman, the current president, who had been jailed by the Sandinistas and seen his coffee farm confiscated.

That defeat came despite an American-style campaign and a complete change of image by the Sandinista leader.

Gone was the fiery anti-American rhetoric, replaced by calls for

friendly relations. Gone were the horn-rimmed spectacles, replaced by contact lenses. Gone were the cowboy shirts with rolled-up sleeves, replaced by choirboy-like white collarless smocks. Gone was the old revolutionary Sandinista anthem with its exhortation to "fight the Yankee, enemy of humanity", replaced by Beethoven's *Ode to Joy*.

Ortega even brought in former "Contra" guerrillas to his campaign, including the notorious Commander Mack, once photographed ordering one of his men to cut a peasant's throat, in an effort to win conserva-

tive votes. But all to no avail. Ortega lost again and, despite being re-elected Sandinista leader at the party's Congress last weekend, four days before his stepdaughter lodged criminal sexual abuse charges, few Nicaraguans believe he will be a presidential candidate next time round.

Even if the rape and sexual abuse charges do not stick, his stepdaughter's detailed allegations have undoubtedly hurt Mr Ortega's image at home and abroad. When she announced the charges on Wednesday Zolamir Narvaez, now 30, was heckled by a few headline San-

dinista women - shouting "crazy woman, degenerate!" but backed by other women chanting "Keep up the fight".

Many Nicaraguan women, including Sandinistas, say the party always had a macho bent, shown by the relatively few women given senior government positions, despite having served as foot soldiers in the guerrilla war and revolution. "Women were always manipulated under Sandinismo," Nicaraguan political analyst Moises Hassan, a former Sandinista, was recently quoted as saying. "It's a farce."

The secret sins that history has exposed

IF the allegations by Daniel Ortega's stepdaughter of sexual molestation and abuse are true, they will be a fascinating indication of what level of private indiscretion a forgiving age will tolerate before it casts down a public political hero.

Over the years, the secret lives and sins of other luminaries of the radical left, from Lenin to Mao Tse-tung to Winnie Mandela, have been exposed. The case of Ortega differs in three crucial respects.

The prime force in the revolution which toppled the dictator Anastasio Somoza and defied Ronald Reagan, the CIA and their Contra clients, he was a Third World leader idolised by the left around the world for standing up to US bullying. Second, not only is he still alive, he continues to lead the Sandinista party in Nicaragua's national assembly. Third, the offences of which he is accused are far more than the politician's frequent habit of straying from the marital bed. If born out, they amount to criminal rape.

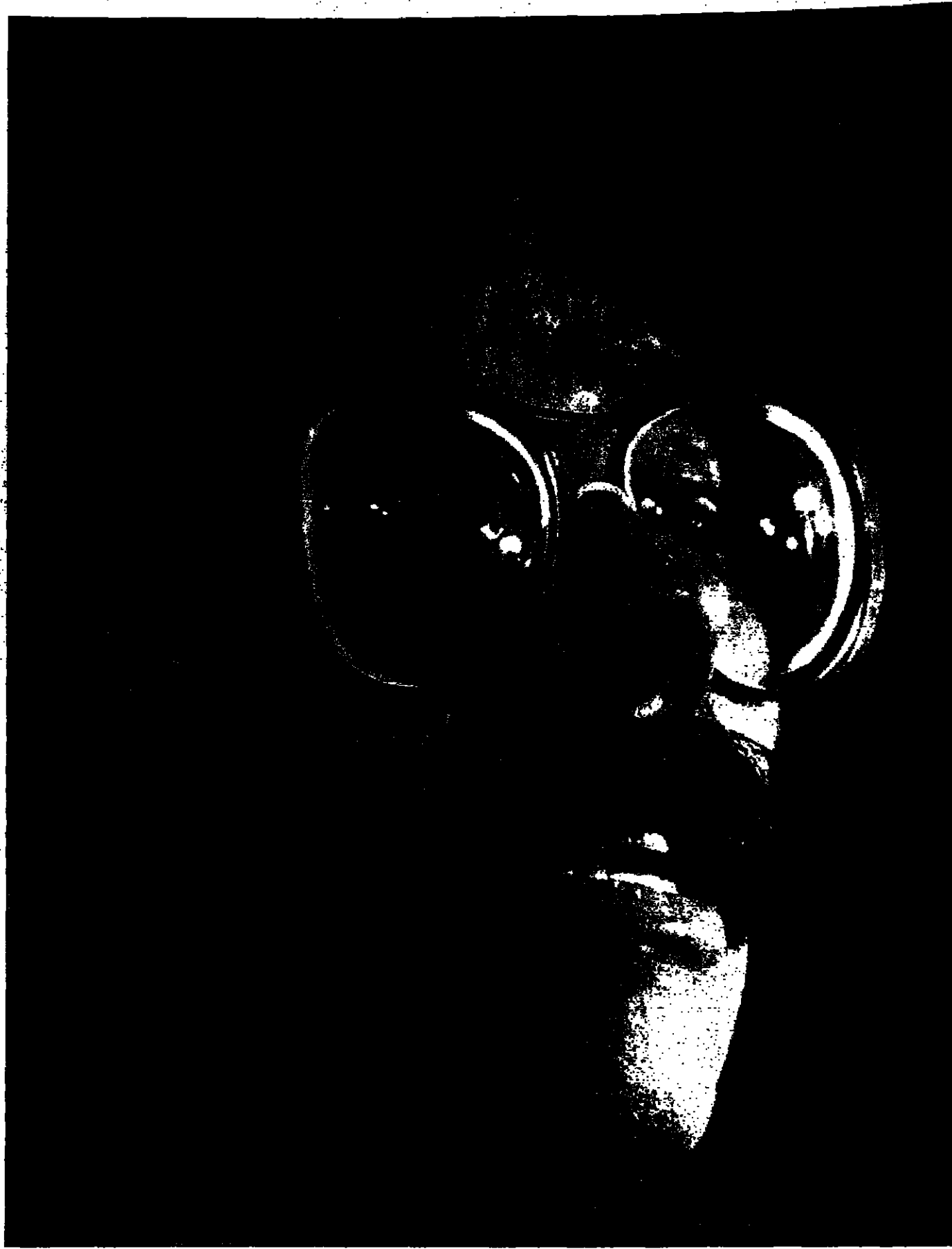
The posthumous debunking of heroes is a historian's meat and drink. Take Lenin, long regarded by generations of the left as benign father of socialism and founder of the Soviet Union, whose noble ideals were deformed and disgraced by Stalin.

Now of course it has been established that Stalin (himself a man of whom glib Western liberals would hear no wrong, even while he was shipping millions to the gulag) drew heavily on techniques earlier employed by Lenin - among them an omnipotent secret service, mass atrocities against civilians, and terror-famines.

As a mass murderer of his own people, Mao ranks alongside Stalin, but was none the less an inspiration to a strand of the far left. His reputation was posthumously dented by the revelations of his personal doctor that while supervising the Cultural Revolution Mao was addicted to sex with underage peasant girls rounded up from the countryside. Even so, as with Lenin, the faith of those believers who were left was not been greatly damaged. Both were dead, their place in history - for better or worse - secure.

In the West too, death draws the sting of scandal. Had John Kennedy's prodigious and reckless sexual appetites become known when he was president, they might have ruined his career and subsequent reputation. Ditto, on a more modest scale, Martin Luther King. As it is, public attitudes have largely caught up with JFK's private behaviour (witness the tolerance for Bill Clinton's philandering). Beyond the grave, he is still perceived as lost leader, not lost soul.

Rupert Cornwell



Ortega: He tried desperately to regain power. But slick campaigning couldn't resurrect his career Photograph: Andrew Moore/Katz

'Time not only heals all wounds, it opens all eyes'

JD Gannon was a reporter in Nicaragua from 1986 to 1990. Here he remembers the leader he once admired

"DIMINUTIVE. Wouldn't you say Daniel Ortega is diminutive? I mean, he is rather small."

It was the fall of 1989, San José, Costa Rica. I was acting as guide/interpreter for the *Daily Telegraph's* Washington bureau chief. George Bush was in town for the first hemispheric meeting of heads of state, a meeting so lacking in consequence that the only real question was whether Daniel Ortega would get his picture taken with Bush, and the *Telegraph* guy was writing the intro to his story and looking for a good adjective for the president of the scrappiest nation in the new world.

"Diminutive?" I demanded. "Daniel would kick Bush's ass in a New York minute."

I wasn't writing about the summit so wasn't worried about paying homage to the American god of "objectivity". I probably wanted him to kick Bush's ass.

"Daniel" as he was known to all, was a real leader - had fought the good fight and won. Had suffered imprisonment, torture, battle, the loss of friends and family but had had victory ripped from him by the colossus to the north, only because America was a sore loser. And it rankled the conscience of every reporter

in Nicaragua with any sense of fair play.

Daniel was Nicaragua in those days and the lack of respect shown him was the same shown to that entire, impoverished but beautiful nation.

Had the *Telegraph's* man that day whispered to me that Daniel was raping his step-daughter, I might have kicked his ass.

But time not only heals all wounds, it opens all eyes. And I and every well-wisher Ortega ever had had long ago shrugged our shoulders and turned our backs on a man whose unseemly descent from rev-

olutionary leader to power-grabbing leader was complete years before his step-daughter made public her private nightmare.

In the face of popular electoral defeat, Ortega tried to grab as much power as he could gain in opposition. The needs of Nicaragua and "the people" were cast aside.

He long ago drove out the best and the brightest the Sandinista front had to offer, vilified any and all who suggested a thoroughly rejected leader might want to step aside for a new generation to take over.

And he has dragged the once proud and resourceful Front down

with him, where it now languishes as a party with nothing to offer but what it can deny its enemies - enemies it was once unworthy of having.

Daniel was not the revolution, no man ever is. But we search for the individual to embody the good. This whole unseemly affair calls to mind a scene from Brecht's *Galileo*.

Galileo, having recanted before the Inquisition, returns to his rooms to find his favourite student, crestfallen, waiting for him. The student denounces him, crying out "ply a world without heroes!" To which the ageing astronomer sighs: "No, pity a world that needs a hero."



Ortega with his close friend Colonel Gaddafi, watching military exercises in Libya Photograph: AP

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Is this the family of the future?

As the pressure of juggling home and work grows, so will multi-generational households.
By Meg Carter

IT COULD be the answer to all your child-care and retirement needs. Or a recipe for marital disaster. Whichever way you look at it, however, the multi-generational household - with parents, kids and in-laws all living under one roof - seems to be making a return.

More than 25 per cent of us already live with an additional family member or would be prepared to, while 80 per cent feel the downward tug of the welfare state makes the rebirth of the multi-generational household inevitable, according to research published last month. Soon, many of us won't have much choice.

It's not so much a family renaissance as the birth of a new pragmatism, claims Graeme Leach, associate director at the Henley Centre for Forecasting.

"Many people who were 'dinkys' - double income no kids - in the late Eighties and Nineties are now having families and finding they have significantly less disposable income than they had hoped because of childcare costs and the fact that one or other partner is having to stop earning for a while or even shift to part-time working," he says.

The housing market is already bracing itself for homeowners with less money to invest (according to Barclays Life). Many people now in their twenties and thirties aren't putting enough money into their pension schemes to retire comfortably, warns Nigel White, marketing director of Barclays Life. "There is widespread misplaced optimism about the level of pensions people can look forward to when they retire," he claims.

Meanwhile, creeping "personal privatisation" already requires a growing proportion of middle-class incomes to be set aside for future education and health-care needs, he adds. "As more people realise this, financial pressure on other expenditure will become acute. A multi-generational, *Waltons*-style household may provide an solution."

Government estimates predict that Britain will need 4.4 million new homes by the year 2016 to accommodate the growth of single person households. This, however, ignores a parallel trend, says Leach, co-author of *2020 Vision* - a snapshot of British life two decades hence, published last month by Barclays Life.

More of us will start grouping together in larger households as disposable incomes stagnate or fall. Life expectancy increases and concerns grow about the costs of residential care and child support. At the same time, growing employee flexibility and mobility, increased home working and the development of "cyber schooling" via the Internet will increase our focus on the home.

"There are lots of tangible benefits, not least the fact that lots of us find the idea of an extended family an appealing concept," Mr Leach adds. Those already living in multi-generational households agree.

Five years ago, while working for the Commission for New Towns, Dave Ludford and his wife, Debbie, re-located to Milton Keynes with Debbie's parents who were then in their late sixties.

"Friends were sceptical," he admits. "But the four of us decided to pool our equity and club together to buy somewhere big enough for us all to have our own space, but small enough to enjoy the benefits of

an MBA at Cranfield University while Debbie is raising four-month-old twins Grace and Lily. His mother-in-law, Kit, still lives with them, although Debbie's father recently died.

"Modern parents in their sixties wear jeans and remain young at heart. The gap between us has narrowed and the prospect of living together is easier to accommodate now because you don't feel generations apart," Mr Ludford believes.

"I think we will see a gradual polarisation - of more multi-generational family households driven by family bonds and more single person households driven by

living together." It certainly helped that the two couples enjoyed each other's company. And that it was an active choice rather than a reaction to a need to care for people who could not cope alone.

Yes, there were teething problems. It soon became obvious the two couples needed separate facilities to avoid kitchen clashes, for example. His in-laws lived upstairs while he and Debbie occupied space below - "guiding principles" were needed to split the times the four spent together and apart. Now 42, Ludford is studying for

It's not so much a family renaissance as the birth of a new pragmatism

family bombs. It's already standard practice in Mediterranean countries and the Middle East: if the chemistry's right, why not here?

Not everyone shares his enthusiasm. Jonathan, 35, claims his three year marriage to Melissa almost collapsed under the strain of her surviving parent moving in.

"On paper it seemed ideal - my mother-in-law needed somewhere to live, but had difficulty coping alone and did not want to go into a home. In reality, I felt she was an intrusion." After six months, both sides both agreed to call it a day.

"There's a certain logic to reverting to self-supporting household groups, but it's hard enough balancing the priorities of two breadwinners (whose job should take priority and where should they live?) let alone balancing the interests of an older generation who may or may not want to move," warns Marjorie Thaburn, head of services to couples for Relate.

"I'm not sure we've gone too far down the line with nuclear families and single parents to make the psychological shift that would be required to become inter-dependent in this way."

Mr White agrees the *Waltons* approach will not be appropriate for all. "Those driven by necessity will do so in limited circumstances - a house built for two generations will have to hold three - with the obvious side effect of increased stress and pressure on the relationships between all those concerned," he admits.

If he's right, we are all advised to start saving. And soon.



Andrew Riddle (above), his mother-in-law Elvira (centre) and his son Alexander, share their home harmoniously with Andrew's wife Rosalba and her brother Jack

Photograph: Nicola Kurtz

'Friends thought we were mad. At first'

ANDREW and Rosalba Riddle live in south-west London with their 22-month-old son, Alexander. And Rosalba's brother Jack and Rosalba and Jack's mother, Elvira.

"We first moved in together in 1993," Mr Riddle explains. "It was choice rather than necessity - we all wanted to live somewhere bigger but stay relatively central. As we are all close and get on well, it seemed the obvious thing to do."

To some, perhaps. But for many, the prospect of sharing with the in-laws - especially after getting married, which Andrew and Rosalba did two years ago - sounds like a recipe for disaster.

"Friends thought we were mad," Andrew admits. "At first."

In fact, many now envy the Riddle's arrangement and two other couples they know hope to give it a try.

Motivation was key, Andrew says. Each of them wanted to live in the same area; Rosalba had grown even closer to her mother and brother since the death of her father ten years ago and the four enjoyed each other's company.

Luckily, they all work. Andrew as company director of a menswear business; Rosalba as director of a

property company; Elvira as a tailor and Jack as stock controller for Andrew's business. As a result, each entered the arrangement on an equal footing and differing working patterns extended individuals' personal space.

"It was mine and my mother's idea. We spoke on the phone at least once a day, sometimes more," Rosalba admits. "I've always hated being on my own. In this house, you always know it won't be long before someone comes home."

Andrew adds: "It's great for Alexander, too. As a close-knit family, he will grow up with an uncle and grandmother close at hand."

Not that the extended family provides a short cut to cheap childcare. With all four adults working, the family shares weekday childcare support with another family nearby.

Which suits Elvira just fine. "While we are all there to help each other out, I have my own things to do, too - besides, they couldn't afford me!" she smiles.

It helped, of course, that the Italian side of the family was used to multi-generational living.

"In Italy it's still commonplace: finding

a family where it doesn't happen is unusual," Elvira adds. Her side of the family is from southern Italy, although she has lived in Britain the past 35 years. Each family member tries to make it home for communal meals, she says.

"If there's one disadvantage, I suppose you could say that as Italians, Rosalba and Elvira do more than they probably should for me and Jack," Andrew ruefully admits.

"You can take things for granted. We know we're very lucky."

Another potential pitfall is insufficient space. And a family member with not enough to do who might take an unwelcome degree of interest in other household members' lives.

In spite of all this, conflict within the Riddle household is minimal. "All decisions about the house are joint decisions - we all have a stake," Andrew says.

Each abides by an informal arrangement that should they wish to move out they give six months notice.

Of course joint equity in a larger property makes for a sounder investment, he adds, but "it was more about being where we wanted to be".

Some men do plenty more than their share

In *The Independent* this month a young mother complained that her working partner wasn't doing his bit at home. Hang on, says Stephen Cox, who works part-time and cares for his baby son, it's not like that at our house

SOPHY ROBINSON'S complaint about men not doing their share of the domestic load ended with "He should be doing more to help you - show me a man who shouldn't."

OK, I will. Sophy, a mother of three children under ten, gave up her seat on the board of a communications company to work freelance from home; her husband works very full-time in the City. Guess who ended up running the house. In our house, it's the other way round. Sarah, my partner, works full-time as a librarian.

Last autumn, I gave up a salaried job in PR in the voluntary sector to look after our baby son and the house, while trying to build a freelance career. We use a child-minder

two days a week, (yes, I collect) and Sarah works from home one day a week. Nevertheless, I end up doing most of the domestic chores - for example, all the cleaning, most of the washing, all the cooking, etc.

I'm not claiming sainthood, and the only prize we'd win would be a wooden spoon from the environmental health department. But we've made a conscious choice that we want one parent with Theo the majority of the time, and we accept the hassle and financial impact this involves.

Sarah says this isn't a gender issue. "It is about a partner who is at home and a partner who works outside the home. The partner at work finds it hard to be fully involved. I



really see myself in this as the man."

If I was working outside the home twelve hours a day, it would definitely affect what I did in the home. As I have to look at the kitchen floor in daylight, I am more

prompted to do something about it.

"What about the joy of looking after the children?" Sarah asks. Lots of it is tedious, but I do get interrupted playing time with Theo.

Sarah misses him dreadfully and

resents the idea that time with Theo is purely a chore. At least, she says, as a breast-feeding mum, she gets given the baby and a cup of tea as soon as she steps through the door.

The man doesn't have that.

Househusband Stephen Cox with his son Theo. His partner Sarah is the breadwinner

He says: "Too much of the writing by men is about how tough it is. (I use the Hoover and deserve the Nobel Prize, etc)."

"Write about how difficult it is to come home from work, by Thursday so tired you feel your legs have been cut off," she says.

We both know that I could meet Sarah with a rolling pin and a list of chores, but that wouldn't do either of us any good. Sarah has plenty more to say. "I'm sick of reading articles in *The Independent* by women complaining how hard it is, when they have nannies and cleaners. Ordering the servants around is such hard work!"

What about housework and gender roles in those households where they can't afford to shove the work on to an employee? Too much of the writing by men is about how tough it is. (I use the Hoover and deserve the Nobel Prize, etc). I don't agree that, in the round, men have it harder. A career woman who gave up a well-paid job for erratic freelanceing and house-care would find it as tough as I did, and she might feel as alienated from the support groups that exist.

Some of the childcare infrastructure can't quite cope with men attending weaning clinics, drop-ins, etc. To be quite honest, I'm too busy

on "Theo days" to worry about whether National Childbirth Trust teas will welcome me, or find it odd that I'm there.

Sarah gets evil looks from other women when I take the baby off to change a nappy. I also know couples 20 years ahead of us where the woman spent the first two years telling the man "No, you don't do it like that, let me do it..." and now complains that the man won't do anything unprompted.

Everything Sophy said in the article about negotiating is important. I hate to think how much negotiating we have had to do recently!

Her action plan is fine, as far as it stands. But why assume it is always the man who is not doing their share?

THE INDEPENDENT
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Gordon Benningfield

GORDON BENNINGFIELD was an eloquent, influential advocate for the protection of the English countryside and its varied wildlife - and one of Britain's most talented, versatile wildlife and countryside artists.

A Londoner by birth, the eldest son of a Thames fisherman, Benningfield showed a remarkable talent for drawing and painting from his earliest years, particularly in his drawings of Spitfires.

His academic career, in the village school at London Colney in Hertfordshire, where the family moved while the Second World War raged in London, was, by his own admission, undistinguished. Nevertheless, his teacher, recognising his artistic talent, allowed him the opportunity to develop and on leaving school at 15 he was apprenticed as an ecclesiastical artist in St Albans, where his aptitude and ability to work with a wide variety of mediums - from stained and engraved glass to wood carving, bronze sculpture, gold leaf, watercolours and oils - was refined and encouraged.

In 1958 he married Betty Boyce, whom he had known since his early teens, and they set up home together in rural Hertfordshire. Benningfield worked hard to perfect his craft so that it seemed, to the casual observer, to be an easy thing to do, but the paintings, both in watercolour and oils, or the glass engraving and bronzes that is-

sued from the large, overflowing shed in the garden, were the result of meticulous research, exemplary care and a love of and pleasure in his chosen subjects. By the mid-1960s his watercolour paintings of countryside subjects were in such demand that he took the decision to work for himself. His first London exhibition of wildlife paintings in 1967 was an outstanding success.

Since childhood he enjoyed watching and collecting butterflies and was an excellent field entomologist. This knowledge and his particularity of technique with watercolours led to the publication of his first book, *Benningfield's Butterflies*, in 1978. I remember a well-known gallery owner telling him "There's no market for butterfly pictures." Fortunately, Benningfield ignored this advice. The exhibition of original paintings from the butterfly book was sold out on the preview day, and buyers had to put their names in a hat and wait to see if they'd been successful in getting the picture they wanted.

It is not surprising that Benningfield's paintings should be sought-after - they are exquisite. He knew his subject so well that the butterflies seem almost to fly from the page. His work on butterflies and their vanishing habitats was recognised when he was invited to become President of the British Butterfly Conservation Society in 1989. His involvement in the society also led to a GPO



Benningfield out butterfly-catching in Water End, Hertfordshire 1980

Photograph: Alan Southgate

commission in 1981 for a set of stamps depicting British butterflies, followed in 1985 by a further set of stamps showing British insects.

A natural broadcaster, Benningfield appeared on a number of television programmes. In the early 1970s he contributed to

the series *Look Stranger* and some years later took part in several editions of the BBC Natural History Unit's *In The Country* series. He was an expert on 19th-century shepherds and their craft and contributed to *One Man and His Dog*. A film called *A Brush with Hardy* -

about painting the pictures for Benningfield's book *Hardy Country* (1983) - was shown in cinemas around Britain in 1985.

Arguably one of the finest glass engravers this century, between 1972 and 1994 Benningfield created no less than eight memorial windows for

the Guards Chapel. In recognition of his work, in 1995 he was elected a Freeman of the City of London and Liveryman of the Glass Sellers' Company.

Benningfield's public persona was that of a quiet, polite man, but he had a marvellous sense of humour and a schoolboy's

wicked sense of fun. He was a delightful companion and until his final illness made it too difficult to travel far, he and I explored the English countryside together, particularly his beloved Dorset, Thomas Hardy's Wessex. Much of his finest work was inspired by the quiet coombs and deep ancient woodlands of the region between Dorchester and Bridport.

Fortunately for lovers of his work, he was prolific - producing paintings and drawings to illustrate books including *Benningfield's Countryside* (1980), *Hardy Landscapes* (1990) and *Benningfield's Woodlands* (1993). He illustrated several poetry books - *Darling Thrush* (1985), *Poems of the Countryside* (1987), *Green and Pleasant Land* (1989) and *Poems of the Season* (1992). In 1994 he completed a pictorial autobiography *Gordon Benningfield, The Artist and His Work*. His last book was *Benningfield's English Villages* (1996) and he was working on a book of *Benningfield's Vanishing Song Birds* at the time of his death.

I first met Gordon Benningfield in 1968 at a fund-raising exhibition in aid of the World Wildlife Fund and even then his work stood out. Gordon himself did not look or act at all like the accepted 1960s stereotype of an artist. Tall, fair-haired and dressed in Harris tweed and highly polished brogues, he looked more the country solicitor or land agent. But his polite, seemingly diffident manner

hid a steely determination to succeed both in art and in the conservation of his beloved English landscape, and when it came to the defence of the countryside he loved he was a doughty adversary. For someone who lacked a formal education he mastered the thrust and parry of debate impressively and caused politicians and members of the NFU alike to take notice.

His interests were many. He was an expert shot, stylish fly fisherman and a keen supporter of field sports - regarding them as an integral part of a healthy working landscape. He loved working dogs and owned a number of them, in particular deer hounds and border terriers. He had a life-long love of the Spitfire aeroplane; his interest in vintage cars too was long-standing and he owned two fine examples of early MG sports cars.

Benningfield Wood, planted four years ago on a Dorset hilltop, will mature and grow in stature as will Gordon Benningfield's reputation as one of Britain's finest wildlife and landscape artists, but for those who knew him, he will be remembered too as a delightful, generous person, a brilliant naturalist and a matchless companion.

Dennis Funnell

Gordon George Benningfield, artist; born London 31 October 1936; married 1958 Betty Boyce (two daughters); died London 4 May 1998.

The Rev Percy Coleman

NEW priests of the Church of England have had the distinction of being seized by the lapels and shaken by Archbishop Geoffrey Fisher in the corridors of Church House but such was the fate of Frederick Philip (known to his friends as Percy) Coleman soon after he was elected to the Church Assembly as General Secretary of the Church Union in 1955.

Coleman had a formidable reputation as an ecclesiastical politician working for the Anglo-Catholic cause. He became an *eminence grise* during a period of profound change in the Church; but he was also conspicuous for pastoral gifts as a parish priest and was a much sought confessor and spiritual director.

Educated at Ealing County School, he read economics under Lionel Robbins at the London School of Economics where he failed to obtain a First because of his difficult handwriting. It did not subsequently improve. From early life Coleman was a strong churchman and as a layman was active in the parish of Holy Cross, Greenford, where he trained the choir.



Coleman in St Andrew-by-the-Wardrobe, Blackfriars

In the early Thirties he went to France where he was keenly influenced by the organised association of factory workers in the Roman Catholic Church known as the *Jeunesse Ouvrière Chrétienne* (Jocists), or in English-speaking countries as the Young Christian Workers. His interest in the analysis of contemporary society found fulfilment in the Christian Socialist Anglo-Catholic summer school of Sociology. After a period working in university administration he went up to St Stephen's House, Oxford, in 1938 to read for holy orders and was ordained in 1940.

Two curacies followed, one at St Alpha, Southwark, until 1942 where he was noticed for his courage during the blitz, followed by six years at St Stephen's, Lewisham. Then came four years as vicar of St Antholin's, Nunhead, which he rebuilt after the war, and three years as a member of the Company of Mission Priests in the immense urban parish of Elmsmere Fort, in Cheshire.

His career seemed set fair for the parochial ministry and it was a subject of grief to some of his friends when his life took

an unexpected turn. Coleman was a man of considerable intellectual ability and it was for this reason, as much as for his Anglo-Catholic convictions, that he was persuaded to become the General Secretary of the Church Union in 1955. The Church Union represented the organised political wing of the Anglo-Catholic Movement.

The membership consisted of progressive and conservative elements. Coleman was of a far higher mental ability than the rank and file and this frequently led to misunderstanding and sometimes mistrust. He had a speculative mind and was deeply influenced by the French Catholic Theological Revival. At a time when Liberal Protestantism began to assume prominence in the Church of England he maintained a reasoned Liberal Catholic position. He welcomed the election of Pope John XXIII in 1958 and eagerly embraced the positive results of the Second Vatican Council and saw their implications for Anglicanism.

But Coleman was not merely a radical who applied change for its own sake. He was firmly grounded in scripture and tradition and believed that to be

truly radical you had to have strong doctrinal foundations. With Yves Congar he saw tradition as a dynamic rather than static force and recognised the development of Christian doctrine. His annual journeys to France and connections with the University of Louvain and the Archdiocese of Malines, in Belgium, forged serious ecumenical bonds; but he was disappointed that his experience was not needed in official ecumenical activities.

Coleman's francophile sympathies nevertheless presented problems. He tended to think that the Church of England started from the same position as the French Church, which it did not, and neither did the then enclosed position of the Roman Catholic Church in England.

This led him to look at the gains of the Anglo-Catholic Movement with an element of complacency. He thought that most of the battles had been won and despaired of a defensive mentality that was unwilling to recognise that Catholicism had to a great extent sunk into the bones of Anglicanism, a view shared by some Roman Catholic ecumenists. He wanted Anglo-

Catholicism to cease to be a campaign and deepen the gains on a normative basis in the parishes of England. He did not make allowances for the diversity of much Anglican ecclesiastical belief. His support of social justice put him at variance with the President of the Union, the Earl of Lauderdale, a staunch Conservative.

Second to Pope John XXIII (at whose death in 1963 he wept) Coleman's hero was Archbishop Michael Ramsey. It was in the wake of Ramsey's ecumenical objectives that he supported the Anglican-Methodist Conversations and was distressed that the Conventions failed to produce the 75 per cent majority needed to pass a scheme of union.

His views were sharply at variance with the majority of members of the Church Union. He saw no theological objections to the ordination of women and in later life came to regard the presidency of a woman at the altar as the most natural thing in the world.

Coleman left the Church Union in 1968 and became Warden of the Community of St John the Baptist, Clewer, a religious order for women. Many convents had used him for retreats and spiritual direction and valued his mastery of the spiritual life. During this time he established close connections with the enclosed orders at Fairacres, Oxford, and Bumbham Abbey. He undertook the direction of the Society of the Hidden Life, a body of devout laywomen fostered by the Society of the Sisters of Bethany. Many remained devoted to him for the rest of his life. Coleman retained the Wardenship of Clewer until 1979 but in 1971 he accepted the living of St Andrew-by-the-Wardrobe, Blackfriars, and held both in plurality.

It was in the City that Coleman exercised a varied and distinctive ministry. For Bulmer Thomas, a churchwarden, wanted him because of the adult educational work of the Advanced Sunday school that met on Sunday afternoons and attracted distinguished speakers and people from far and wide.

But Coleman was not willing to exercise a purely intellectual apostolate. He ran a Bible class for the telephonists and engineers of the Farringdon tele-

phone exchange, worked pastorally in the institutions within the parish, took an interest in the Mermaid Theatre and was active in Sion College. St Andrew's became the base for a ministry of preaching, lecturing, the confessional and retreat-conducting that took him all over the country.

Coleman was an elegant writer and edited the influential theological periodical, *Faith and Unity*, from 1955 until it ceased publication in 1978. In 1979 he was appointed Area Dean of the City of London, a post he held until 1982.

Coleman was cultivated, well-read and sang in the London Bach Choir. He had a great gift for friendship, generosity of spirit, a Gallic appreciation of food (he could entice the most delicious meals from simple ingredients), a ready (if sometimes derisive) sense of humour and remained a champion of the underdog.

Although at the height of his powers many were perplexed and sometimes made indignant by his stance, subsequent events demonstrated that essentially he had kept his finger on the pulse of the Church and his standpoint was vindicated. But some of his critics who did not share his optimism about the future of a Catholic expression of Anglicanism felt that he was the Edward Heath of the movement and had misjudged the political moment that led to a weakening of the Catholic position.

For the last 14 years of his life Coleman lived contentedly at the Charterhouse and acted as honorary curate of St Botolph's, Aldgate. He continued to act as a confessor and spiritual director until prevented from doing so by Parkinsonism. When he was asked what he would leave behind him when he died he said, quite accurately, "A number of distraught ladies."

Anthony Symondson SJ

Frederick Philip (Percy) Coleman, priest; born Greenford, Middlesex 11 September 1911; ordained deacon 1940, priest 1941; Vicar of St Antholin's, Nunhead 1946-52, Elmsmere Fort 1952-55; General Secretary, Church Union 1955-68; Warden, Community of St John the Baptist, Clewer 1968-79; Rector, St Andrew-by-the-Wardrobe, Blackfriars 1971-84; died London 14 April 1998.

R.J.G. SAVAGE held the position of Professor of Vertebrate Palaeontology at Bristol University for ten years. His knowledge of his field was vast. His interests in fossils extended from the Cretaceous to the Pleistocene, the diversity of life from ammonites to carnivores, and he worked a huge variety of sites ranging from Australia to Skye.

Bob Savage first went to Africa to work on some Kenyan Miocene sites in 1953. From then on, seldom a year passed without his travelling abroad either to work on museum collections or to make collections himself. His first visit to North Africa was in 1957, and his succeeding field expeditions to Libya in the Sixties were perhaps his most successful.

In 1971 he began working on the Mid-Jurassic in Skye where he discovered Britain's earliest mammals. He continued this field work through the Seventies, taking three field seasons off (1974-76) to work a Miocene site at East Turkana in Kenya. His field work took him to many other countries and continents including Venezuela, Australia, India, Pakistan, Persia (now Iran), Israel, southern Europe,



Savage: fossils

and Soviet Central Asia. His museum visits included research trips to Moscow, western Australia and the United States.

Savage published extensively on his work. As well as editing a number of symposia reports, he was the editor of an excellent series, *Fossil Vertebrates of Africa* (1970-76), that he started with his wife Shirley and my father, L.S.B. Leakey. Savage married Shirley Coryndon - an expert in fossil hippopotami - in 1969, having met her in Kenya.

He was born in Northern Ireland in 1927 and educated at Methodist College, Belfast and Wesley College, Dublin. He graduated in 1948 with a BSc in Zoology from Queen's University, Belfast and the following year obtained a First in Geology, also at Queen's. His PhD was awarded by University College London in 1953, a year after he had taken up his first academic position as Assistant Lecturer in Geology at Queen's University, Belfast.

In 1954 he moved to Bristol University as Lecturer in Geology and Curator of the Geology Museum. Nineteen sixty-six saw his promotion to Reader in Vertebrate Palaeontology and in 1982 he was promoted to Professor of the same department. He remained there until his retirement in 1992.

During his years at Bristol, Savage was actively engaged with numerous organisations and committees both within the university and the country. His enthusiasm for field work gave him opportunity to work closely with the University's Expeditions Committee (1963-77) and he was the President of Bristol University's Speleological Society from 1977 to 1989.

His enthusiasm and excitement for palaeontology, in particular, left a lasting impression on all his associates.

Bob Savage had a superb sense of humour and was seldom without a twinkle in his eye that belied his rather severe exterior. Nothing pleased him more than to set his guests before his fireplace after dinner and then test their knowledge of oddities - fragments of fossils that were not easy to identify even to body part, let alone taxon! He was always delighted if his guests failed the test but equally excited should they take a wild guess and identify his specimen.

After his retirement, Savage took an increasing interest in the work of the National Trust, to which he devoted considerable time between his election as a member of the Council in 1980 until his death when he was President of the Bristol Centre. He was acutely concerned and well informed about the challenges of conservation strategies both in the UK and abroad.

Bob Savage's exuberance and enthusiasm for life influenced all who knew him, particularly the many students he taught during 40 years. He was one of a vanishing breed: a quintessential scientist, a teacher, a naturalist and a gentleman.

Richard E. Leakey

Robert Joseph Gay Savage, palaeontologist; born Belfast 2 July 1927; Assistant Lecturer in Geology, Queen's University, Belfast 1952-54; Lecturer in Geology and Curator of the Geology Museum, Bristol University 1954-66; Reader in Vertebrate Palaeontology 1966-82; Professor of Vertebrate Palaeontology 1982-92; married 1969 Shirley Coryndon (née Wilson; died 1976; two stepdaughters); died Bristol 9 May 1998.

Professor Boris Ford

DONALD MITCHELL's obituary of Boris Ford [27 May] does not refer to the pre-1950 years, writes N.P. Thomas. Ford was the leading figure of the wartime Army Bureau of Current Affairs set up to enlighten soldiers about the political aspects of the war. It was viewed with some suspicion by the generals. At the end of the war Ford and some of his col-

leagues reconstituted themselves as the civil Bureau of Current Affairs with the aim of becoming a resource centre for adult education.

At the time I was a neighbour and he told me this story. His wife remarked on a character who regularly lurked outside their house. They thought it might be some criminal "casing the joint". One day when

Boris was at home and the figure was there, he phoned the local police station who said they would send a car round. As the house numbering was confusing in our area, Boris said he would meet them at the bottom of the road. This he did, but no sooner had he got in their car when the telephone came to life and he clearly heard the message "Cancel exercise, subject is M15".

DEATHS

EWELL Peter Arnold, on 23 May 1998, much loved by all his family. Funeral at Fen Ditton Parish Church, Cambridge, Monday 1 June, 3.30pm. Flowers to Cambridge Funeral Services, 617 Newmarket Road, Cambridge.

WILKIE On 21 May, Douglas Robert Willie FRS, Emeritus Professor of Experimental Physiology in the University of London. Much loved father of Andrew, father-in-law of Jane and grandfather of Oscar. Funeral service at St Michael's Church, Highgate, N6 on Friday 1 June at 2pm, followed by private burial. Family flowers only. Donations to RNLI or Research Defence Society c/o Leverton & Sons Ltd, 1 Denmark Terrace, London N2 9HQ.

BIRTHS, MARRIAGES & DEATHS

Announcements for Births, Marriages & Deaths should be sent in writing to the Gazette Editor, The Independent, 1 Canada Square, Canary Wharf, London E14 3DL, telephone 0171-292 2002 (24-hour answering machine 0171-292 2001) or faxed to 0171-292 2010, and are charged at £6.50 a line (VAT extra). OTHER Gazettes announcements must be submitted in writing (or faxed) and are charged at £10 a line, VAT extra.

Forthcoming marriages

Mr M. F. Brailsford and Miss A. I. Roberts. The engagement is announced between Mark, elder son of Mr and Mrs Frederick Brailsford, of Lancing, West Sussex, and Abigail, elder daughter of Mr C.W. Roberts, of London SE16, and Mrs J.C.Q. Roberts, of Elmwood, Llanerisypion.

Birthdays

Mr Colin Amery, architectural writer and historian, 54; Mr Michael Berkeley, composer and broadcaster, 50; Sir Douglas Black, physician, 85; Sir

Christopher Bland, chairman, Board of Governors, BBC, 60; Mr Quentin Davies MR 54; Sir Jeremy Elwes, chairman, St Helier NUS Trust, 61; Mr Rupert Everett, actor, 39; Li-Gen Sir Martin Garrod, former Commander General, Royal Marines, 63; Sir Anthony Grant, former MR 73; Miss Linda Esther Gray, opera singer, 50; Sir Robin Haydon, former diplomat, 78; Sir John Hersey, former civil servant, 76; Sir Trevor Holdsworth, former chairman, National Power, 71; Mr Bob Hope, actor and comedian, 95; Professor Robert Knox, bacteriologist, 94; Sir James Marjoribanks, former ambassador, 87; The Earl of Morley, Lord-Lieutenant of Devon, 75; Miss

Nanette Newman, actress and writer, 59; Mr Terry Pavey, former editor, *TV Times*, 55; Mr Francis Ross, rock singer and guitarist, 49; Mr Alwin Schockenmole, showjumper, 61; Mr Doug Scott, mountaineer, 57; Mr Carl Thom, stage designer, 71; Professor Louis Wain, agricultural scientist, 87; General Sir Richard Worsley, former Quartermaster General, 75; Mr Ianis Xenakis, composer, architect and engineer, 76.

Anniversaries

Birches Sarah Jennings, Duchess of Marlborough, 1660; Gilbert Keith Chesterton, author, 1874; John Fitzgerald Kennedy, 35th US presi-

dent, 1917. Deaths: Sir Humphry Davy, scientist and inventor of the miners' safety lamp, 1829; Sir William Schwenck Gilbert, librettist and playwright, died after saving a young woman from drowning, 1911; John Barrymore (Blythe), actor, 1942; Mary Pickford (Glady Mary Smith), actress, 1979; Jacqueline Kennedy Onassis (Jacqueline Lee Bouvier), publisher, 1994. On this day: Concomitantly fell to the Turks, 1453; the evacuation from Dunkirk began, 1940; Sir Edmund Hillary and Sherpa Tenzing reached the summit of Mount Everest, 1953. Today is Corpus Christi and the Feast Day of St Bernard of Montjoux or Menthon, St Cyril of Caesarea, St Maximus

of Trier, Saints Simplicius, Martyrius and Alexander, St Theodosia of Constantinople and Saints William, Stephen, Raymond and their Companions.

Synagogue services

Details of synagogue services to be held tomorrow may be obtained by telephoning the following. Sabbath begins in London at 8.15pm. United Synagogue 081-343 8999. Federation of Synagogues 081-702 2263. Union of Liberal and Progressive Synagogues 071-580 1663. Reform Synagogues of Great Britain 084-349 4731. Jewish and Portuguese Jews Congregation 071-289 2575. New London Synagogue (Masorti) 071-328 1024.

ROYAL ENGAGEMENTS

The Duke of York visits St Petersburg, Russia. Prince Edward, Fourth, attends a concert given by the London Mozart Players at the Fair-Hall Hotel, Crystal Palace, Surrey. The Princess Royal, Colonel-in-Chief, Royal Logistic Corps, visits Dalton Barracks, Aldershot, Oxfordshire, and attends a Women's Royal Voluntary Service tea party to mark their Diamond Jubilee at Dalton Barracks. The Duke of Kent, President, Royal Institution of Great Britain, attends a discourse given by Professor Peter Day at All Souls, London W1.

Changing of the Guard

The Household Cavalry Mounted Regiment mounts the Queen's Life Guard at Horse Guards, 11.30am; 1st Battalion Coldstream Guards mounts the Queen's Guard, at Buckingham Palace, 11.30am, band provided by the Scots Guards.

The LAW REPORT resumes with the Law Term, on Tuesday 2 June.

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Jobs, not wages, are what really matter to Blair and Brown



DONALD
MACINTYRE

TWENTY YEARS ago, to mark the end of a nine-week-long firemen's strike Terry Parry, general secretary of the Fire Brigades Union, bought himself a racing greyhound. In honour of the settlement - which linked firemen's pay to the top segment of male manual workers' earnings and which still holds good today - he called the beast Upper Quartile. But then Parry was entitled to his stylish celebration. Not many strikes over pay ended in such unambiguous triumph, even then.

For all the common assumptions routinely repeated about the unbridled power of the trade unions in the late Seventies, the firemen's victory was actually a rather rare event, borne in large part of the unique public popularity deservedly enjoyed by the firemen themselves. That rarity value was part of what very gradually persuaded the trade unions that their outright hostility to a statutory minimum wage was misplaced. The unions frequently found it difficult to use their collective muscle to deliver on wages at any level; at the lowest end of the income scale, even more so. Yet now that (some) union leaders are complaining that a figure of £3.60 an hour is much too low, it's worth remembering how long and how vigorously many of them opposed the idea of having any kind of minimum wage, high or low.

True, Rodney Bickerstaffe's Nupie, now part of Unison, had long and honourably been in favour. But the Transport and General Workers Union used its block vote, year after year, to ensure that until 1986 the Labour Party conference maintained outright opposition to a minimum wage. Its reasons were dressed up as the ancient doctrine that the state had no place in what used to be called free collective bargaining. The reality was the haunting fear that if workers were entitled to a minimum wage, they might not feel the need to be in trade unions at all.

This fear was largely misplaced. Many of the potential gainers from the minimum wage were employees in small private sector businesses that functioned in a buyers' labour market and in which unions had anyway been unwilling, or unable, to organise. For such men and women the alternative was no minimum wages or the union, but minimum wages or no protection at all. Nevertheless, misplaced or not, the fear was a potent one.

Yet having missed the point in the 1970s and 1980s, the unions are in serious danger of missing the point again. First, if their intention in attacking the rates recommended by Professor George Bain's Low Pay Commission is to stop the Government tampering with them by being more cautious still, then they are unlikely to succeed. It's a safe bet that the adult rate of £3.60 an hour will be implemented intact. But there is much more doubt over whether the proposal for a

differential youth rate of £3.20, confined to workers between 18 and 21, will survive the intense ministerial scrutiny that will continue next week.

There are two views in government. One is that Professor Bain - having been asked by the Government to take into account the case for exempting (or at least fixing a lower rate for) workers between the age of 16 and 25 - has come up with a considered answer, and his recommendations should be followed. But I would be surprised if either Tony Blair or Gordon Brown swallow this argument without testing it to destruction.

The international evidence is that the greatest risk to jobs from the imposition of a minimum wage is among young workers. Whitehall officials have already calculated that the proportion of younger workers affected by the Commission recommendations is well over twice as large as that of adult workers. And this comes at a time when ministers are single-mindedly pursuing their goal of ending youth unemployment through the windfall tax-financed New Deal.

If Brown and Blair judge that the proposed youth rate is high enough - or the age range covered by it narrow enough - to jeopardise that particular election pledge, they will put the brakes on and call for an even more restrictive regime for younger workers. But the Commission's union critics could have even more to complain about before the issue is closed.

This is just where those critics risk missing the point. The trade union movement's historic error - which a handful of its leaders are now in danger of repeating - is to equate its

Union leaders are now in danger of repeating the movement's historic error

own members' interests or worse, its own institutional interests, with that of the most vulnerable segments of society as a whole. Those union leaders who go through the motions of re-litigating demands for a rate of £4.61 ignore substantial evidence that one above £4 would cost significant numbers of jobs - and in the process risk charges that they are hypocritically ignoring the interests of those who are not in unions because they are not in work.

The minimum wage is part of a bigger programme - from Gordon Brown's improved work benefits to reduction of national insurance contributions for low paid workers - designed to make work pay. No-one can know yet how well it will work if it fails the Blair administration will rightly be harshly judged. But in the meantime unions should be a little less curmudgeonly about what is a hugely historic step.

From time to time, the Government will no doubt credibly be accused of forgetting the weak at the expense of the strong. That argument won't stick here. If jobs are lost, it will be the weakest, core voters even, who will suffer most. Socialism - or even social justice - isn't by definition, as Herbert Morrison claimed, what Labour governments do. But neither is it merely what union leaders want.

If we act now to save the rouble, we will be helping ourselves too



RICHARD
LAYARD

FED BY THE ASIAN contagion, investors are beginning to run from the rouble. But a devaluation would be disastrous for Russia's new reform government. The West must act, and quickly.

Russia is not like Thailand or Malaysia. Last year it had a balance of payments surplus and, after the fall in the oil price, the deficit this year will be under 2 per cent of GDP. Tax collection is better than in the first part of last year, and the budget deficit has been halved. The new reform government established before Easter is better than its predecessor.

So why the crisis? There are of course some Russia-specific features. Wages arrears are still bad and have led to serious strikes, followed by promises of extra spending. At the same time the oil price fall was bad for tax receipts. All this fuelled fears of higher budget deficits. But these fears have proved wrong in the past and are even less plausible now.

There is much wrong with the Russian economy. It is over-regulated, the mafia has a strangle hold, and barter is pervasive. But these issues are irrelevant to today's issue, which is whether the rouble is overvalued.

The rouble has been well managed for the last three years and this has brought important stability to Russia. Despite complications from parts of industry, Russia has achieved export earnings sufficient to pay for its needs. And inflation has come down to single figures.

So, without the Asian debacle, there would be no crisis now in Russia. But, of course, if investors start worrying about whether other investors will run, they start running themselves. Thus fear of devaluation becomes self-fulfilling, and it may become impossible for a country to defend its exchange rate unaided - even when devaluation is not justified by economic fundamentals.

A devaluation in Russia would be as catastrophic for



Economic fears: Russian women selling bottles of vodka in Moscow yesterday

Photograph: Mikhail Metzel

Mr Yeltsin as the devaluation in Britain was for John Major. The greatest achievement of the reformers has been to bring low inflation and financial stability. If they cannot even do that they will lose all credibility.

That would open the way to major left wing gains in the parliamentary elections in late 1999, and make it most unlikely that any reformists could be elected in the year 2000. Not only would this be very bad for the life of Russian citizens; it would also be bad for the citizens of western countries, who need a peaceful and co-operative Russia in order to preserve a peaceful world order.

A devaluation in Russia would also spell danger for other emerging economies. The next country to be picked off could be Brazil, it could be Hong Kong. The world financial community therefore has a huge interest in drawing the line in Moscow and preventing the collapse there, which could have a further domino effect.

The basic problem for Russia is that the foreign exchange reserves of the central bank are not sufficient to meet the demand for dollars that could arise, especially if there is a massive selling of the Russian rouble treasury bills held by foreign investors.

In order to prevent them selling, everyone must know that the Russian government

has sufficient dollars at its disposal to meet any wave of selling to buy up any amount of roubles that investors wanted to dump in the market at the current exchange rate. If investors knew this, there would be no reason for them to want to dump their roubles now in fear of a worse exchange rate later.

The G7 nations need to put together a stabilisation fund of at least \$10bn which would be available for the Russian government. This is not money given to Russia, this is money that

of the extended fund facility it has made available to Russia.

Time is very short because, as we know, speculative attacks can develop very quickly; and interest rates in Russia are already very high with 80 per cent per annum being paid on roubles (as compared with 11 per cent per annum being paid on the government's dollar debts). Such a differential, of course, only makes sense if people expect a devaluation and it is crucial that the West acts in the next few days to make

fear of devaluation were to be removed, interest rates would come down and the economic recovery would begin.

The rest of the world, too, would have a sign of relief that the international community had shown its ability to act - not after a devaluation, as in Asia, but before.

The world financial system is now under considerably greater threat than at any time since the early Eighties. The introduction of the euro may add to further turbulence and volatility in the world's major exchange rates, and it would be heartening to see the international community able to take charge of the situation beginning in Russia. Nobody should want exchange rate changes that are not justified by economic fundamentals. They distort the structure of economies and create unemployment. Ultimately they can undermine the public faith in markets and in free trade. We would all then lose. Now is an opportunity for the G7 to show that they can strike before the horse has bolted. Let us hope that in the next few days it's members have the courage and wisdom to do so.

Richard Layard is Director of the Centre for Economic Performance at the LSE and is a former adviser to the Russian government.

It is crucial that the West acts in the next few days to make clear that Russia cannot be forced to devalue

would be available as a loan facility. The sooner it is provided, the less likely it is to be needed. Indeed, if Western support was unequivocal the loan might never be drawn down because it would not need to be used. The measure of its success would be how little it was used.

It would not be necessary or right for the G7 countries to provide money for the government to spend in its budget. That is the role of the IMF, and it is important that the IMF reaffirm its commitment to paying for the steady delivery

clear that Russia cannot be forced to devalue. That would have enormously beneficial effects, both in Russia and in the rest of the world.

Russia would be saved from the chaos that would follow from a devaluation. A devaluation there would lead to an immediate increase in inflation, and even worse, to bank failures. And bank failures would lead to bankruptcies of enterprise. Unemployment would rise on a massive scale, as it has in Indonesia.

Social peace could not be guaranteed. By contrast, if the

At times all politicians need a well-placed blow to the ego



ANDREW
MARSHALL

I AM pleased to say that I live in a country governed by rogues, hardots and thieves; and that everyone knows it.

There has been a run of American films recently that are cynical about politicians almost to the point of revulsion.

Wag the Dog brought us a world where inventing a war was the most reasonable way to conceal an "incident" with an intern in the Oval Office. Primary Colours showed us "Jack Stanton" as a flawed man with a manipulative wife who would do almost anything to achieve political power.

On its way across the Atlantic soon is *Bulworth*, which makes both of these seem like paeans of praise to the political system. Warren Beatty plays a senator who finally flips under pressure and starts telling the truth: politics is corrupt; no-one cares about anything but money; special interests control everything.

The conventional wisdom is that this is a sign of the times, and deeply disturbing. Americans have become cynical about

politics and their leaders. Stung by a series of White House scandals, they don't believe in government, they don't believe in party, and most of all they don't believe in the President. Authority is ridiculed; the pillars of the temple are shaking.

I've been to plenty of countries where the ridicule of politicians is a crime. In Croatia, the satirical weekly *Feral Tribune* has been attacked in the courts and repeatedly closed down because it dares to take the mickey out of Franjo Tudjman, the sinister and authoritarian president. In Britain, Alan Clark was so affronted by a column in the *Evening Standard* which lampooned him that he took the paper and the author to court. In France, *Canard Enchaîné* notwith-

standing, a level of reverence in political coverage is *de rigueur*, ensuring that while the French continue to mutter darkly about their politicians in private, the public presentation is always dignified and often wrong.

I believe that a high degree of disrespect for politicians is not only healthy, it's downright necessary. The political process in America is in many respects deeply flawed - as it is in many countries - but Americans have no problem talking about it. Periodically, that results in a sudden and unexpected shock at the polls. More often, it translates into a continuing and scathing disrespect for the men and women who govern them.

American politicians are venal, and they are in the thrall

of big money. I don't think they are that different from politicians anywhere else, and I'd rather that good people were elected. In the absence of that, a well-placed blow to the ego strikes me as being as good a way as any of getting even.

At times when official respect runs too high, where politicians and their media cronies connive at the cult of authority, bad things happen: think of the high points of Reaganism and Thatcherism. The deification of the elected - whether in life, or in death as with the cult of the Kennedys - is an unhealthy and dangerous phenomenon. Politicians should be ripe for attack, always and everywhere.

Total cynicism about politics itself is damaging and danger-

ous. In Croatia, the combination of a state totally aligned with a party, electoral shenanigans, and pressure on the media has helped to numb a nation to politics. In America, the fact that there are so many bitterly cynical films indicates a waning of interest in what dirty little games get played behind closed doors, not a waning of it. That's healthy.

Ridicule is a democratic sanction. Warren Beatty uses it to devastating effect in *Bulworth*, daring to say that the party courts the rich, ignores black people, and is devoid of principle. As *Newsweek* puts it: "Beatty's thumbs up to the Democratic Party? Oops - that's his middle finger." Well, thank you, Mr Beatty; and to the politicians - sit on this.

Maguire's ire

THE SAVAGE attack on 10 Downing Street by political editor Kevin Maguire in yesterday's *Mirror* was aimed squarely at "Jellon" Tony Blair and his gruff press chief Alastair Campbell. Will Maguire's charge that Blair is "badly out of touch with his People" and has "mishandled" Emperor Akihito's visit stick to the Prime Minister? (Pandora was pleased to see Maguire reminding his readers of how rudely Campbell had once dismissed an *Independent* journalist's cautionary words concerning a visit by the Japanese royal.) Relations between the Government and the *Mirror* took a nose dive following the widely-reported fiasco of "Clinton's letter to the people of Northern Ireland", which Maguire initiated and wrote only to see it passed by

Downing Street and published in the *Sun*. After Maguire's hate "letter" to Blair yesterday, there seems little hope of New Labour and the *Mirror* returning to their former lovey-dovey relationship anytime soon.

Mandy swots

CHARMING Fiona Macleod from St Leonards School, St Andrews, rang Pandora yesterday to express thanks for some words of praise contained in Tuesday's column. Readers will recall that four female student journalists from the school published a devastating profile of Peter Mandelson in Monday's *Telegraph*. Ms Macleod, who is business development director at the school, said that, contrary to how it might have appeared, the Minister without Portfolio

PANDORA

did not take the young journalists for granted. "In fact, he seemed really uncomfortable," she told Pandora. "And the girls did not enjoy it at all." When you add this to the unpleasant reception he received from the students at his old Oxford college recently one thing seems clear: Mandelson should not be heading to Education in the next re-shuffle.

Final prize

IS IT A SPOOF, a statement about art or a work of art? Is there any longer a distinction between the three? If you were crossing London Bridge this morning between 7:45am

and 9:15am you may have been asked to wear a paper headband and to sign a form acknowledging that you were being nominated for the Turner Prize. The "artistic happening" was the incredible brainchild of Anthony Samuelson who promises that, should it subsequently win the Turner Prize, all participants will receive a share of the £20,000 award. Pandora has another happening suggestion. Why doesn't the Turner Prize declare itself a work of contemporary art. Then it can give itself the prize and disappear up its own backside forever.

Health flack

Is the pendulum swinging back in the direction of the Civil Service when it comes to Whitehall press offices? So it seems. After the recent appointment

of journalists Sheree Dodd to Northern Ireland and John Williams, to the Foreign Office, Pandora has learned that veteran civil servant Philip Aylett has been named to the press office at the Department of Health. Hacks will remember Aylett fondly from his days working for Bernard Ingham in Thatcher's Downing Street bunker.

Joke cures

VIAGRA, the latest miracle drug for impotent men, has predictably spawned a whole litter of bad jokes in America. These include new spurious "related" drugs, including Liagra. "This drug causes men to be less than truthful when being asked about their sexual activities. Will be available in Regular and Presidential Strength versions."

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Doubts over Exchange trading reforms

By Lea Paterson

The Stock Exchange is to open 30 minutes later – at 9am – in an attempt to solve difficulties with early morning trading on its new electronic system.

The Exchange also announced yesterday that it wants Liffe, the futures exchange, to close 20 minutes later, at 4.30pm, to alleviate trading difficulties at the end of the day.

There are to be fundamental changes to the way closing prices are calculated, which the Exchange believes will iron out "rogue", or unrepresentative, closing prices. Rogue closing prices is perhaps the most

prominent of the problems that have dogged Sets, the new electronic trading system, since its launch in October.

Sets, although widely regarded as a technical success, has been criticised for producing unreliable prices at the beginning of the day. In addition, only around a third of all trades are currently executed over Sets, with many larger institutions sticking with the old "quote driven" system.

The moves are part of the Exchange's response to its month-long consultation with members over the performance of Sets.

Other proposals include scrapping the minimum order size, which will allow very small holdings of shares to be traded

over the new electronic system, as well as raising the maximum size.

The Exchange is to reduce the pre-market period – the placing of buy and sell orders before the market officially opens – from half an hour to 10 minutes. It is considering introducing a central counterparty, a system whereby either the Exchange or another official body guarantees all trade. The Exchange is to consult further on the issue, and has said a central counterparty will not be introduced until after 2000.

The Exchange said it would not move all smaller FTSE 250 stocks onto the new system "at present".

The later opening hours will apply from

20 July, and the new method of calculating closing prices will begin at the end of the year, unless there are marked improvements "in the consistency and predictability" of closing prices.

The Exchange intends to calculate closing prices by taking an weighted average of trading prices over the last 15 minutes of the day. At present, the closing price of a stock is simply the price of at which the last trade of the day is executed.

As far as Liffe's new closing hours are concerned, Martin Wheatley, head of markets development at the Exchange, and the man who has spear-headed the introduction of Sets, said: "Liffe were very pos-

itive [about closing at the later time of 4.30] but they need to consult their members."

The Exchange said yesterday that Mr Wheatley would be proposed as a new executive board director. It added that Richard Kibby, director of market services, resigned from the board at the end of May.

According to the Exchange, feedback from the market had confirmed that "the new trading structure is viewed by users as being sound and technically robust". But the Exchange admitted: "There was a general desire to see more liquidity in the system and more consistency of price formation".

Trading houses broadly welcomed the Exchange's proposals, although several

thought they did not go far enough. Some traders expressed scepticism about the effectiveness of the later opening hours.

The Exchange also announced its results yesterday for the year ended March 1998. It returned £16.6m to members, compared with £10m last year, at operating costs fell by 21 per cent.

Simon Robertson, currently a managing director at Goldman Sachs, is to join the board as a non-executive director. Donald Brydon, Robert Metzler, Mark Radcliffe and Bernard Solomons are to retire as non-executives at the annual general meeting on 9 July.

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Financial markets back from the brink

By Diane Coyle
Economics Editor

THE FINANCIAL markets drew back from the brink of another round of weakness yesterday. Some emerging stock markets staged a recovery from their tumult earlier this week, while the big markets remained stable.

Eddie George, Governor of the Bank of England, admitted yesterday that he had not seen the Asian crisis coming – but neither, he said, had anybody else.

He warned that there was still a danger of a vicious circle of financial weakness in Asia. "That could have seriously adverse implications – in terms of both financial and economic knock-on effects – for the global economy," he said.

Mr George added, however: "I can't pretend that we are completely out of the wood in terms of the external financial crisis in Asia, but there is now at least a good deal more light between the trees."

In London, shares ended a little lower yesterday, with the FTSE-100 index eight points lower at 5,862.3. But the Dow Jones index in the US was 18 points higher by late morning at 8,955.

The reaction of Wall Street to the continuing problems in Asia is seen as the key to whether any particular bout of market "contagion" will spread across the globe. So far the US has appeared immune.

In Asia, the Nikkei 225 index in Tokyo advanced yesterday, climbing 132 points to 15,796.55.

The picture in the world's smaller stock markets was mixed. Shares in Hong Kong fell again, the Hang Seng index losing 105 points to 8,777.94. This 1 per cent fall followed a 5 per cent drop in the value of shares on Wednesday.

The Hong Kong authorities admitted for the first time this week that the economy was likely to dip into recession. The financial markets are also fearful that China might yet devalue the yuan and the Hong Kong dollar against the US dollar.

Thai stocks plunged nearly 2 per cent to their lowest level for 10 years, with analysts blaming general worries about the situation in Asia.

On the other hand, a busy day's trading with much interest from foreign investors sent shares in South Korea sharply higher. The share price index gained more than 3 per cent, with particular interest in Samsung Electronics just ahead of its planned rights issue.

Elsewhere, shares on Russia's stock market staged a remarkable recovery, climbing 6 per cent. The tripling of interest rates to 150 per cent and possible emergency assistance from the international community were seen as enough to stabilise the financial crisis, and the rouble appeared to be safe from devaluation.



Dealers in Thailand yesterday as their screens show stock prices falling to their lowest level in a decade

US growth rate surges to 4.8%

By Andrew Marshall
in Washington

THE US economy entered 1998 at a roaring pace, growing at an annualised rate of 4.8 per cent in the first quarter. The figure, released yesterday, shows the most rapid expansion since the same period of last year.

The US Federal Reserve has begun to express concerns about the pace of expansion, and Wall Street is concerned that it will increase interest rates in reaction. Though it has

not increased rates for more than two years, the minutes of the last Fed meeting showed that some members were leaning towards a rise.

The figures for gross domestic product for the January to March quarter were well up from the advance estimate of 4.2 per cent. Part of the explanation for the surge was a rise in stocks, without which GDP would still have expanded by 3.4 per cent. Consumer spending is buoyant. Exports fell, while imports surged.

Economists expect growth for the year as a whole to slow, to about 2.3 per cent. But the big question for the markets is how soon the economy slows. If it does not decelerate to closer to this level, the Fed may feel it has to reappraise its stance. It will have to balance this against the international impact of a rate rise at a time when economies around the world are suffering from the impact of the Asian crisis.

Further evidence of rapid growth came with figures showing a 2.6 per cent increase in orders for durable goods in April, led by a strong showing for aircraft orders. This was the strongest rise for five months. Excluding transport goods, orders were still up by 0.7 per cent.

Wall Street displayed scant reaction to the figures, with the Dow Jones Industrial Average edging higher by 17.94 to 8,954.51 at noon. Traders were more concerned with the return of momentum after he dip earlier this week.

Orders for exports at 15-year low

By Diane Coyle
Economics Editor

THE CLOUDS over manufacturing darkened yesterday as a survey showed that export orders had dipped to their lowest level since January 1983. The results alarmed analysts, even though most had been braced for bad news, and left the markets wary about trade figures due this morning.

The Confederation of British Industry reported in its monthly survey that home orders were holding up but the nosedive in export orders meant manufacturers were expecting no increase in output over the next four months. Production has already fallen for two quarters running, putting manufacturing officially into recession.

The CBI is still forecasting a soft landing for the economy as a whole, with a gradual slowdown in growth. But Kate Barker, the CBI's chief economic adviser, said: "The key immediate risk is that exports could weaken still further."

She urged the Bank of England not to increase interest rates any further. This call was put even more strongly by Ken Jackson, general secretary of the AEEU. "The Bank of England must end its vendetta against manufacturing industry," he said, saying the Monetary Policy Committee should indicate that it expected its next move to be a reduction in borrowing costs.

The CBI's monthly survey showed the balance of exporters with order books below rather than above normal was minus 51 per cent, down from an already weak minus 43 per

cent in April. This was bad enough to offset reasonable domestic order books, taking the total orders balance to minus 17 per cent, its weakest for nearly two years.

As a result, manufacturers' output expectations weakened further, indicating virtually no growth during the next four months. Optimism about output has returned to its lowest since late 1992, the nadir of the recession. The weak outlook also took price expectations to a record low, suggesting that prices charged at the factory gate could start falling.

Simon Briscoe, an economist at Nikko Europe, said: "Manufacturing is going to be struggling for at least the rest of this year. It does show another interest rate increase is completely out of the question."

The CBI is still predicting that the economy will grow by just over 2 per cent this year and next thanks to strong consumer spending. But this depends on the pound falling significantly. Sterling weakened slightly during the day but ended virtually unchanged at DM2.90. The currency markets remain hesitant to rule out one final rise in interest rates if pay increases continue to pick up.

Separate figures yesterday from the Nationwide showed a big increase in house prices in May, but the building society said the number of sales was disappointing. The average house price jumped 1.2 per cent in May after a nearly flat April, to a level 11.9 per cent higher than a year earlier.

However, the level of transactions fell. The Nationwide said it was too early to conclude that the recovery had stalled.

Asda and Kingfisher resume alliance talks

By Nigel Cope
Associate City Editor

ASDA and Kingfisher have resumed talks about a possible trading alliance less than two weeks after negotiations about a £13bn merger broke down.

Though the talks centre on cross-selling opportunities between the two retailers, sources close to the negotiations said they could be broadened to include a full-scale merger.

The discussions are thought to be at a relatively early stage and do not yet include Asda's chief executive, Allan Leighton,

and Kingfisher's chief executive, Sir Geoff Mulcahy, who spearheaded the original merger discussions.

The centrepiece of the talks is potential interaction between the two companies. This could see Asda selling its George range of clothing through Woolworth's, and Kingfisher opening branches of its Superdrug pharmacies and Comet electrical formats in Asda's supermarkets.

Asda's stated ambition is to make the George label Britain's best-selling clothing brand behind Marks &

Spencer's St Michael. It may need to access space on the High Street in addition to its out-of-town supermarkets to do this.

Kingfisher is always hungry for more space and Sir Geoff Mulcahy is a keen deal-maker. A merger of the two would create Britain's second largest retailer after M&S.

The re-opening of the talks will come as a surprise to the stock market following comments less than a fortnight ago that discussions were "completely at an end." The two sides then gave differing ver-

sions of events and both claimed the approach had come from the other side.

Surprisingly, yesterday Asda denied the resumption of talks and would only repeat its original statement: "We had discussions and they came to an end."

Kingfisher was similarly reticent, saying only: "The discussions between the two have ceased."

Asda has looked increasingly keen on a deal recently having looked at the Welcome Break motorway service stations, a £10bn-merger with

Safeway and a £13bn-merger with Kingfisher.

Though Asda is confident that it has sufficient scope for growth in the medium term, it is looking for avenues of growth further out. With Tesco increasing its non-food ranges and opening larger, hyper-market stores under the Tesco Extra name, Asda is under pressure to continue with innovations.

It is already looking at introducing mezzanine layers in stores to add more floor space that could carry non-food lines such as music and entertain-

ment, health and beauty and clothing.

It is also opening drive-through restaurants offering refreshments for time-pressed shoppers.

Kingfisher would come to the negotiations from a position of equal strength. It has enjoyed a hugely successful run in the last two years boosted by strong performances at its DIY business and a recovery at Woolworth's.

Sir Geoff is now keen on building Kingfisher into an international retailer but is still keen in developing market share in the UK.

R&D funds 'wasted on wrong schemes'

PRODUCTIVITY in British industry could fall even further behind competitors like Germany and the US unless the Government takes drastic steps to revamp the funding of research and development, according to a new report.

It said government spending on research had been too low and had not been geared towards commercial uses.

Nick Matthews, one of the authors, said: "Taxpayers have been robbed as millions have been wasted on schemes that

have little relevance to British industry." Britain spent twice as much on agriculture as on industrial development, he said.

Figures in the document, prepared by researchers at Warwick University for the Institute for Public Policy Research, show that British governments have spent a smaller share of GDP on research and development than other countries. It argues that the meagre funds available have been split between too many funding bodies.

Yesterday in the markets

STOCK MARKETS

Index	Close	Change	Change (%)	52 wk high	52 wk low	Yield (%)
FTSE 100	5862.30	-7.90	-0.14	6150.50	4382.80	3.64
FTSE 250	5888.50	-17.70	-0.30	5920.90	4384.20	2.80
FTSE 350	2680.90	-1.40	-0.05	2638.70	2141.80	3.47
FTSE All Share	2798.68	-1.52	-0.05	2861.12	2109.59	3.44
FTSE SmallCap	2769.60	-3.60	-0.13	2793.80	2182.10	2.94
FTSE Floating	1501.30	0.10	0.01	1511.00	1225.20	3.00
FTSE AIM	1138.50	1.90	0.17	1138.20	965.90	1.04
FTSE EURO 100	1027.36					
Dow Jones	8948.04	10.47	0.12	9261.01	8971.32	1.89
Nikkei	15796.55	132.26	0.84	20910.79	14488.21	0.97
Hang Seng	8677.94	-105.49	-1.17	18820.31	7908.13	4.50
Dax	5481.26	-8.38	-0.17	5664.84	3487.24	2.79

INTEREST RATES

Short sterling	UK 10 year gilt	US long bond
3 month 1 yr 5 yr	1 yr 5 yr 10 yr	1 yr 5 yr 10 yr
UK 7.50 0.88 7.50	5.77 1.44 5.71	1.57
US 5.69 0.13 5.68	5.58 1.22 5.84	1.13
Japan 0.55 0.05 0.58	0.38 1.47 1.41	2.07
Germany 3.57 0.40 3.88	0.52 4.90 1.00	5.48
1.26		

CURRENCIES

\$/£	DM/£	¥/£
at 5pm	at 5pm	at 5pm
Dollar 1.6288 -0.37c	Starting 0.6139 +0.14p	0.6103
D-Mark 2.8890 -1.00p	D-Mark 1.7799 -0.18p	1.6825
Gold 228.15 +¥1.95	Yen 136.90 +¥1.80	115.72
E index 103.30 -0.20	\$ index 111.50 +0.10	102.30

TOURIST RATES

Australia (\$)	2.5244	Malta (lira)	0.6186
Austria (schillings)	19.84	Medan (rupee)	12.81
Belgium (francs)	58.33	Netherlands (guilders)	3.1812
Canada (\$)	2.3125	New Zealand (\$)	2.9204
Cyprus (pounds)	0.8280	Norway (krone)	12.08
Denmark (krone)	10.83	Portugal (escudos)	287.25
Finland (markka)	8.6500	Saudi Arabia (riyal)	5.9478
France (francs)	9.4673	Singapore (\$)	2.5730
Germany (marks)	2.8306	Spain (pesetas)	238.67
Greece (drachmas)	485.78	South Africa (rand)	8.0846
Hong Kong (\$)	12.28	Sweden (krona)	12.48
Ireland (pounds)	1.1187	Switzerland (francs)	2.3469
Israel (shekels)	61.91	Thailand (bahts)	58.31
Italy (lira)	5.4837	Turkey (lira)	401.885
Japan (yen)	2795	USA (\$)	1.5945
Malaysia (ringgits)	215.54		
	5.9590		

Rates for indication purposes only. Source: Thomas Cook

OUTLOOK
ON THE PROPOSED
SOLUTION TO THE
PROBLEM OF SET
THE RISK OF A
STOCK MARKET
CRASH AND THE
CONTRASTING
FORTUNES
OF BT AND C&W

C&W
top le
with
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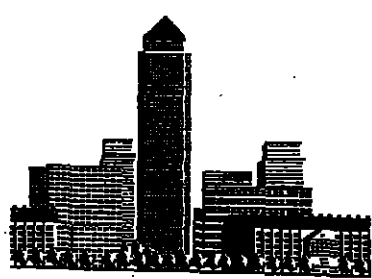
By Peter Thal Larsen
CABLE & WIRELESS yesterday established itself as a major player in the booming Internet market when it bought a large chunk of the network's infrastructure from MCI. The US group, in an audacious \$6.25bn (£4bn) deal.
The acquisition catapults C&W into the top tier of providers of Internet capacity in the United States and gives it access to one of the fastest-growing parts of the telecommunications industry.
C&W is buying MCI's "backbone" – the physical infrastructure over which Internet traffic runs – as well as a number of service companies which use MCI to connect their customers to the Internet.
Dick Brown, C&W's chief executive, hailed the deal as a



huge leap" for the group. It gives us the scale and scope that is necessary in this market," he said.
MCI put the division up for sale after regulators in the US and Europe threatened to block its merger with WorldCom, the US giant.
Although figures vary, some analysts estimate that the two companies control up to 60 per cent of the Internet traffic in the US. Regulators on both sides of the Atlantic still formally have to approve the acquisition, as well as the deal to go ahead. But Dick Brown said he had already secured both regulators to approve C&W's case.
Analysts praised the move from the keen price that Mr Brown had managed to negotiate. The price is less than three times the division's projected earnings for the coming year, but is likely to be about 20 times similar businesses in the

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The right diagnosis, shame about the remedy



OUTLOOK
ON THE PROPOSED
SOLUTION TO THE
PROBLEM OF SETS.
THE RISK OF A GLOBAL
STOCK MARKET
CRASH, AND THE
CONTRASTING
FORTUNES
OF BT AND C&W

WHILE EVERY other trade in the country seems to be extending its hours of business, the Stock Exchange is intent on shortening them. Its answer to the miserable failure that electronic order-driven trading has so far proved is to shorten the trading day.

It reasons that by opening the market half an hour later, it will overcome the lack of liquidity that has made Sets such a lottery early in the day and helped drive 70 per cent of share trades off market or back into a skewed and grossly unfair version of the old quote-drive system.

In fact, so convinced is the Exchange that the reforms will work that it has promoted the architect of Sets, Martin Wheatly, onto its main board. However, if Mr Wheatly has any sense, then like the big market makers, he will simply use this as an excuse to spend an extra 30 minutes in bed and then continue to behave in exactly the same way. Which is to stay well clear of the market for the first hour or so until the pattern of trading has settled down.

The Exchange's other solutions - aligning its hours with Liffe and changing the way the index is calculated will help iron out the problem of rogue closing prices, but still do not address the fundamental issues.

The central problem with Sets, which the Exchange implicitly recognises, is that because it is transparent, the market can see every trade coming. This deters the big buyers and sellers who like to keep their deals obscured from view for as long

as possible. What would make a real difference to Sets would be for the Exchange to allow blind trading and then act as a central counterparty - effectively guaranteeing trades and thus solving the credit risk problem of dealing with an unknown buyer or seller.

The Exchange has proposed just such a solution but only some time after 2000 and only then if its lengthy consultation procedures prove there is support for something which would be costly for member firms.

Until blind trading is introduced, many large institutions will stay with the old quote driven system, which is making indecent sums of money for the market makers who can scarcely believe their luck.

Seven months after the launch of Sets the Exchange has at last arrived at a diagnosis of what is ailing. Unfortunately its remedies do not go nearly far enough for the health of the London market.

Market meltdown fails to emerge

IF EDDIE GEORGE didn't see the Asian crisis coming and still isn't clear why it struck, as he admitted yesterday, the rest of us can forgive ourselves for not having a firm grip on the situation either.

The problem is that without understanding the past it is hard to predict what

the future holds for both Asian and other emerging markets. The signs are that the Governor's uncertainty is widely shared in the financial markets, marked as they are by intermittent flurries of contagious panic that stop as mysteriously as they started. One day a generalised panic, the next investors are picking out the soundest markets and snapping up bargains.

Wall Street holds one crucial key to the outlook. The lesson from 1987 is that serious global stockmarket contagion is propagated from US to the rest of the world, and not the other way round.

This is scant comfort to the bears who think Wall Street is now massively overvalued, but - so far - they have been in the minority. Yesterday once again saw investors buying up hi-tech stocks, albeit rather hesitantly, at the first sign of a setback.

Another important point is that emerging markets are not all the same. While South Korea is making rapid strides in its banking and corporate reform, so that the IMF forces a recovery starting as early as next year, Indonesia remains in an utter mess, and it is likely that Hong Kong still has the worst of its crisis to face, having so far postponed it.

There are still Asia-wide worries. For example, a Chinese devaluation would have serious knock-on effects for all its neighbours. This will keep all of the region's markets under a cloud for some time.

But even so, international investors do distinguish between emerging stockmarkets far more finely than was the case a few years ago. So far, fingers crossed, Asia has not infected Russia and has not crossed over to Latin America.

It would take a brave soul - braver than Mr George, for one - to rule out any risk of a round-the-world stockmarket collapse of the 1987 variety. Yet on this week's evidence, it is still a possibility rather than a probability.

Brown shows Bonfield the way

FOR A guide to the difference between British Telecom and Cable & Wireless, the last few weeks are a pretty good illustration. While Sir Peter Bonfield, BT's chief executive, was last week telling the world that he was keeping his options open on possible deals in the US his counterpart at C&W, Dick Brown, was locked in a room with executives from MCI, convincing them to sell him their Internet business.

It was all supposed to be so different. Back in July 1996, when Mr Brown took charge and Mr Bonfield was just getting his feet under the desk, the roles were reversed. C&W, which had just failed to merge with BT, was a floundering mish-mash of unrelated telecom businesses without a strategy and, so the market thought, an independent future.

Meanwhile, Mr Bonfield was the dynamic type who could shake the last cobwebs of state ownership out of BT and turn it into a world-beating telecom giant.

But the reverse has happened. Mr Brown has beaten some shape into C&W, selling off assets where it has no management control and signing deals with the likes of Telecom Italia while instilling a fast-moving, entrepreneurial management culture.

At the same time, he has also presided over a long-needed rationalisation of the cable industry which gives Mercury a new lease of life.

Meanwhile, Mr Bonfield has done a lot of talking about international strategy but watched his planned mega-merger - with MCI - fall apart.

So when MCI called both BT and C&W three weeks ago to ask them whether they were interested in buying the Internet business it was Mr Brown who had the deal almost sewn up before BT knew what was going on.

Ironically, radically different management styles have had precious little effect on share price performance. Since July 1996, BT's shares have kept up with those of its smaller rival, partly out of relief that the MCI deal failed and partly in expectation that BT would be propelled into the mother of all payouts to shareholders.

Unless Mr Bonfield gets his act together soon, however, it's hard to see that share price performance lasting.

C&W joins top league with £380m MCI deal

By Peter Thal Larsen

CABLE & WIRELESS yesterday established itself as a major player in the booming Internet industry when it bought a large chunk of the network's infrastructure from MCI, the US group, in an audacious \$625m (£380m) deal.

The acquisition catapults C&W into the top five providers of Internet capacity in the United States and gives it exposure to one of the fastest-growing parts of the telecommunications industry.

C&W is buying MCI's "backbone" - the physical infrastructure over which Internet traffic runs - as well as a customer base of 1,300 service companies which use MCI to connect their customers to the Internet.

Dick Brown, C&W's chief executive, hailed the deal as a



Dick Brown: Deal is a 'huge leap' for Cable & Wireless

"huge leap" for the group. "This gives us the scale and scope that is necessary in this business," he said.

MCI put the division up for sale after regulators in the US and Europe threatened to block its merger with WorldCom, the US giant.

Although agreement, some experts estimate that the two companies control up to 60 per cent of the Internet traffic in the US. Regulators on both sides of the Atlantic still formally have to clear the acquisition, as well as the WorldCom-MCI merger, for the deal to go ahead. But Mr Brown said he had already made met with regulators to argue C&W's case.

Analysts praised the move and the price that Mr Brown had managed to negotiate. The price is less than three times the division's projected revenues for the coming year, which are likely to be about \$220m. Similar businesses in the

US have been sold for much higher multiples.

"One thing is for sure, and that's that C&W are not overpaying," one observer commented. However, C&W's share price slipped 4p to 675p due to worries over weak markets in Asia.

It is understood that MCI offered the backbone business to five other telecom companies, including British Telecom, at the same time as it spoke to C&W.

However, the C&W team gained an advantage by moving faster than its competitors. Mr Brown said that the entire negotiating process took just 18 days.

Internet traffic is one of the fastest-growing areas of the telecoms industry. Industry analysts expect the market in the US, which is expanding at rates of up to 100 per cent a year, to more than triple in value to \$160n by 2000.

This is partly because more people are surfing the World Wide Web and sending e-mail. However, the real growth potential is in moving other forms of telephony - including data communications, fax traffic and ultimately voice telephony - on to the Internet.

This can be done by sophisticated Internet technology which divides data and voice messages into small packages before sending them, allowing the system to handle much more traffic.

Mr Brown said the challenge for C&W was to migrate existing voice and data traffic from its existing network on to the MCI backbone, allowing it to cut its prices.

"It is a very strategic deal because it will allow us to migrate traditional circuit switched business traffic off the standard networks and on to our higher bandwidth networks at discounts," he explained.

C&W already has substantial Internet operations through its various businesses in the UK, Australia and the Caribbean. However, it did not have a major presence in the US. "We couldn't build this," Mr Brown said. "We had to buy it."

Under the agreement with MCI, C&W will carry some of the US group's traffic for a two-year period while it sets up an alternative network. However, analysts said that the revenues amounted to just a fifth of the division's total revenues, which C&W would not find it hard to replace.

Outlook, this page



South West Water's chairman, Ken Harvey (left) and the company's finance director, Ken Hill after announcing the changes yesterday. Photograph: John Voos

SW Water to invest in change of name

By Terry Macalister

SOUTH WEST Water, which gained notoriety for having the highest water charges in the country, plans to change its name to the Pemon Group.

But it denies it is trying to escape from a poor public image, pointing out the South West Water will remain the name of its water utility business.

The new title, which must be approved by shareholders at an annual general meeting at the end of July, is intended to underline the company's move into new business sectors, it says.

South West Water is keen to expand in areas not covered by government regulation. It has highlighted waste management, environmental instrumentation and specialist contracting.

Pemon, headed up by the existing chairman, Ken Harvey, will be a holding company with two subsidiaries: South West Water and Viridor.

A spokesman for the company said: "Changing the name will help with investor relations and emphasise the fact that we are not just a regulated utility. Customers will still deal with South West Water."

Yesterday the company revealed plans to cut 135 jobs and streamline divisional offices in Exeter and St Austell in a bid to further reduce overheads. The announcement came as South West Water unveiled a 20 per cent fall in pre-tax profits to £106.6m. The figures were hit by exceptional items but were welcomed by the City which marked the shares up 4p to 960p.

United may float telecoms division

By Terry Macalister

UNITED Utilities yesterday said it might float its telecommunications arm on the London stock market if the business continues to grow as quickly as it did last year.

The chief executive, Derek Green, said turnover from telecommunications tripled last year to £23.4m as business customers such as Manchester Airport switched to its fibre network for data and voice services.

But United believes there is potential to use Digital Power-Line technology to deliver faster and cheaper Internet connections to 2.2 million homes in United's core northwest market using existing electricity cables.

Mr Green said: "This is a nice business similar to Colt which is a stock market darling. If we continue to get a low utility rating we will need to float [telecommunications] in whole or part." Analysts agreed the business

was exciting but said United, which controls Norweb and North West Water, would be judged in the near term on the way it was treated by its industry regulators.

Set up three years ago, the telecommunications arm lost £5.2m last year but this was translated into a £200,000 profit in the 12 months to 31 March. United admits a flotation is unlikely in the next two years.

Like other utilities, United is keen to expand outside of its traditional water, gas and electricity distribution whose future profitability will be held back by tighter regulation.

Yesterday the group revealed a profit before tax and exceptional items up 3.7 per cent year on year to £460.5m. Turnover from continuing operations rose 2.3 per cent to £2.1bn and United unveiled a final underlying dividend of 27.64p making 40.8p for the year, up 9.7p. Its shares closed up 9.5p at 828p.

OFT gives health insurers 'final warning' over policies

By Andrew Verity

THE OFFICE of Fair Trading has issued a "final warning" to health insurers, ordering them to eliminate policies harmful to consumers or face full statutory regulation.

In its second attempt to reform private medical insurance in two years, the OFT yesterday gave health insurers until 30 September to transform their practice or face direct regulation by the Financial Services Authority.

John Bridgeman, the director-general, said the industry had broadly failed to respond to a damning OFT report in 1996. The report highlighted rampant inflation in premiums and widespread confusion among customers, who were often unaware that the policies failed to cover a whole swathe of medical needs. Mr Bridge-

man said: "Health insurers have not shown much concern for improving the information, choice and service to their consumers. If the industry wishes to retain self-regulation it should carefully consider, and then act decisively upon, the recommendations in my new report."

The OFT said sales literature had confused customers to such an extent that 79 per cent of customers wrongly thought they were covered for chronic, ongoing medical conditions such as arthritis or Alzheimer's disease. They also thought their policy would pay for drugs needed after an operation.

In fact, private medical insurance only covers acute conditions that require one-off operations. Many policies exclude claims for outpatient treatment and few pay for drugs needed after an operation. The OFT wants health insurers to

develop a code of practice which provides for a core of "benchmark" products with simple, standardised terms.

Insurers must also show customers how quickly premiums can increase, the OFT said. Premiums in the past decade have risen by an average of 3.5 per cent a year above inflation. Many customers failed to realise that premiums also increased with age.

The regulator also said the Financial Services Authority should monitor the use of moratoria by health insurance companies. Under moratoria, customers can buy a policy without the need for a medical examination, but cannot claim if they are treated for a condition they already have within two years. This makes premiums cheaper and a quicker sale can be made.

The snag is that consumers

with pre-existing conditions can be put off seeking treatment. The OFT said some patients recovering from serious illness had been sold moratorium policies even though they had been advised to go for regular medical check-ups.

It said other kinds of health insurance should also be standardised. These included critical illness insurance, permanent health insurance and long-term care insurance.

The £20n-a-year health insurance market is dominated by two players - Bupa, with 40 per cent of the market, and PPP, now owned by Guardian Royal, with 30 per cent. Norwich Union has 10 per cent. Bupa said it supported the OFT's call for benchmark products and opposed the use of moratoria. But it resisted calls for customers to be shown how quickly premiums had risen.

IN BRIEF

West Bromwich agrees £10m pay-out over homes scandal

WEST BROMWICH Building Society is to pay victims of the home income plan scandal more than £10m between them after agreeing to settle a court case brought by the Investors Compensation Scheme. West Bromwich yesterday promised to pay unspecified cash payments to the 685 victims of the scandal. It will also cap the interest they pay at 6.25 per cent and guarantee they will not be repossessed for the rest of their lives.

The compensation came as West Bromwich agreed to settle out of court with the Investors Compensation Scheme, the regulatory body which has already given out partial compensation. News of the scandal first broke in 1990. Both the Investors Compensation Scheme and West Bromwich said they were happy with the deal. The ICS said it believed the compensation was fair and reasonable. More than 3,000 elderly investors came close to ruin after being sold home income plans by Fisher Prew Smith, a financial adviser which was shut down by regulators in 1991.

LIG to close condom plant

LONDON International Group, the Durex condom maker, is to close its Italian condom manufacturing plant in Casalecchio, near Bologna, with the loss of about 180 jobs. Production will be transferred to the company's other condom manufacturing sites in Spain, the US and Asia. The factory closure and the refocusing of LIG's South European consumer business will result in a £15m provision. Investment column, page 26

Warning to 'first-wave' states

THE EUROPEAN Monetary Institute, forerunner of the European Central Bank, repeated its warning that nine out of the 11 first-wave members of the single currency would need to make further progress in cutting their government budget deficits. "Notwithstanding recent achievements, further substantial consolidation is warranted for most member states," its annual report, published yesterday, noted. The report added that preparatory work was going ahead for the new ECB to introduce minimum reserve requirements on banks in the single currency area. While these are still normal on the Continent, they would be an unwelcome side-effect of eventual Euro membership for UK banks.

More board considers bid

THE BOARD of More Group, the outdoor advertising outfit, is expected to meet this morning to decide whether or not to recommend an indicative offer for the business from Decaux, its French rival. More's directors yesterday met Decaux executives and advisers to discuss the merits of the offer, but no decision was made. Decaux, whose bid has been referred to the Monopolies and Mergers Commission, has indicated it will offer 1220p per More share if it is given the green light. Clear Channel, the US media giant, has offered 1,110p per share.

PEOPLE & BUSINESS

CLIFFORD GERMAN



MIKE THOMPSON is giving up the job of finance director at Bass Leisure after four years to join Marston Thompson & Evershed, the one remaining big-name brewer based only in Burton on Trent, the birthplace of many famous brewing names and still the brewing capital of Britain. He is teaming up again with Marston's chief executive, Nick Lettich, who left Bass for Marstons last year and stepped up to chief executive in February.

Mike tells me he is not related to the original Thompson family whose brewery merged with Marstons in 1898. But Marstons still regards itself as a traditional family-based company. The brewery's Burton Union rooms were described by real ale pundit Roger Protz as the cathedral of British brewing and Michael Hurdle, the current chairman, is the fourth member of his family to be chairman in the last 100 years.

AS PART of its contribution to the Goodwood Festival of Speed next month, Guardian Insurance is taking on the responsibility for insuring £14m worth of historic racing cars being flown from America by Luftbansa for the occasion. It will be the most comprehensive line-up of IndyCars ever seen in the UK. They include two cars - one a Peugeot the other an Isotta Fraschini - which took part in the 1913 IndyCar 500 just two years after the race was initiated, as well as the V8 supercharged 1946 Novi Governor Special. The cars will be accompanied by some of their most famous drivers including Mario Andretti, Al Unser Sr, Rick Mears and Danny Sullivan.

CHARLES ANSON, the former diplomat and merchant banker (with Kleinwort Benson) and long-time press secretary to HM the Queen (from 1990 to February last year), is moving on again. He joined Grand Metropolitan as group corporate relations director just prior to the merger with Guinness which formed Diageo. Now I hear that he will become head of communications at the European Broadcasting Union on July 20.

The EBU has far outgrown the continent of Europe and now has 66 members in 49

countries including East and West Africa and the Middle East. Its main tasks are to negotiate broadcasting rights for top sporting and suchlike events on behalf of its members, organise the exchange of TV and radio programmes between its members and foster the co-production of programmes.

TWIN headlines leap out from the front page of the *Weir Bulletin*, the bi-monthly journal of the Glasgow-based engineering group. Banner headlines proclaim that "the group is on course," and operating profits are "much in line with last year". It also reveals that Lord Weir, the executive chairman, is to retire. Lord Weir has agreed to accept the new position of chairman by the current managing director, Sir Ron Garrick, and the search is now on for a successor to Sir Ron. Applications please to Sir Ron in Glasgow, not to me.

I HAVE been invited to attend Invest 98, billed as the most exciting private investor event of the year, to be held on 6 June at the Business Design Centre in Islington, London. This one-day event, hosted by Barclays Stockbrokers, will, I am assured, provide delegates with the opportunity to share the stock market secrets of some of the world's leading investment experts and participate in conference sessions using the latest interactive technology.

The speakers include Mary Buffett, former daughter-in-law of Warren Buffett, the world famous investor who makes decisions that move global markets from the depths of Nebraska, and author of *Buffettology*, a guide to the techniques he uses. Other speakers include Trevor McDonald, the TV anchorman and apparently a latter-day Samuel Smiles, and Brian Maher, voted by institutional investors as the best technical analyst in the UK for six years in a row.

Richard Wilson, aka Victor Meldrew, will present the mandatory "alternative view" on the stock market. There should be something there for everyone.

HOT NEWS from the fast-food jungle, where research from Euromonitor reveals that Americans spent \$376 a head on fast food last year, closely followed by Canadians. Japanese are the third biggest consumers and Brits come fourth, spending the equivalent of \$63 a head. Neither sushi nor fish and chips has been able to fight off the invasion, although the research shows the fast food chains have had to adapt menus to assimilate national tastes.

Italy, the home of the pizza, has proved the most resistant to foreign fast food, according to Euromonitor's Valerio Cape, spending a miserable \$8 a head, forcing McDonalds, whose growth policy at least is organic, to buy businesses to build its market share.

TONY RUDSTON, chief executive of BPC since 1996 and a man with 40 years' experience of the printing industry, has been confirmed as chief executive of Webinvest, the holding company formed to acquire and merge BPC and Watmoughs. Jim Brown will be finance director.

Falklands oil shares hit as Amerada quits

By Terry Macalister

THE FALKLANDS Islands oil boom was punctured yesterday, knocking over 30 per cent off the value of shares in Desire Petroleum quoted on the London stock market.

Other companies with interests in the Falklands were also marked down. Oil group Lasmo saw its shares dip 1p to 294.5p while the port and hotel operator Falkland Islands dropped 21p to 179p.

The south Atlantic bubble burst late Wednesday night when Amerada Hess, announced it was abandoning the first well in the region.

Amerada Hess said it had encountered traces of hydrocarbons but added: "Appraisal showed that these were not present in commercial quantities."

The well 14/09-1 in the A of the North Falklands Basin has been plugged and abandoned. Amerada Hess will move back into its acreage in the last quarter of the year.

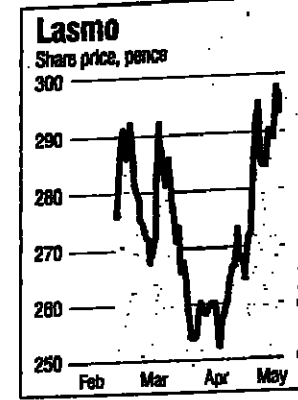
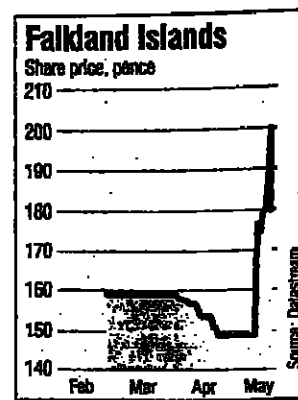
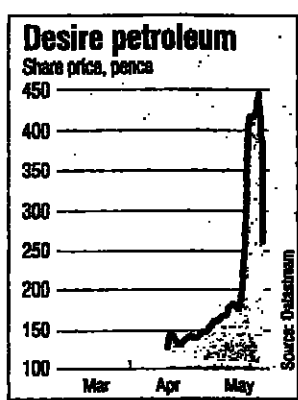
Meanwhile the rig is being passed on to Shell, which will start its own exploration drilling programme immediately.

Shares in Desire, launched at the turn of the year at 125p, had risen to 495p on the back of feverish speculation that Amerada's drilling rig, Borgny Dolphin, had hit oil. Yesterday shares in Desire closed at 260p.

The Desire share roller-coaster had started on 19 May. Although management urged caution, its shares rose 24 per cent that day on speculation that Amerada had found signs of hydrocarbons.

Analysts said yesterday that finding anything at all was encouraging but oil shows did not in themselves prove the Falklands to be an interesting area for exploration.

They pointed out that even in proven oil provinces like deepwater Gulf of Mexico, the success rate on wells drilled was only one in four. For unex-



Sir Rex Hunt, Desires chairman, in his days as the governor of the Falkland Islands

plored areas like the Falklands it was one in 10.

Alan Marshall, energy analyst with Robert Fleming, said it could take up to 20 wells to really know where one stood. "We are no further forward really in terms of the Falklands being an oil province. Certain shares were over-typed. It was like the bad old days when the characteristics of the sector were seen as highly speculative."

Desire was established

specifically to take advantage of interest in the South Atlantic. The fact that it has former Clyde Petroleum chief, Dr Colin Phipps, associated with it lent it credibility with investors.

Other speculative companies have also been formed, including Soda, established by Adolf H. Lundin whose International Petroleum Corporation is quoted in Sweden and Canada.

There were four blocks offered by the Falkland Islands

government as part of its first round licensing round. Oil companies have agreed to share the costs of keeping the semi-submersible rig in the area.

The licensing has caused political friction with Argentina which recently warned it planned to levy its own tax on any oil that was produced in the region.

The enthusiasm for drilling in new areas has partly diminished because of the slump in the price of oil.

Foreign banks see Emu as vital for City

By Les Paterson

INTERNATIONAL banks believe London will continue as Europe's financial capital, according to a survey out today, but only if it eventually enters economic and monetary union (Emu).

According to the London Chamber of Commerce and Industry, the UK's decision not to participate in the first wave has had no material impact on the capital's attractiveness as an international financial centre.

However, if the UK were never to join, this would detract from London's position as the centre of European financial markets, according to 42 per cent of respondents.

Simon Sperry, chief executive of the London Chamber of Commerce, said: "London's inherent strengths are more than sufficient to overcome any problems caused by the UK's non-participation in the single currency."

David Heathcoat-Amory MP, Shadow Chief Secretary, said: "London will continue to be Europe's premier location for financial services if it maintains its cost advantages and builds on its traditional strengths."

A hundred foreign banks based in the City were surveyed. The banks cited high quality telecommunications, depth of financial markets, availability of labour, tradition and political stability as the five most important ingredients for any successful financial centre.

London scored highly on all five criteria, although respondents were more scathing about the costs of doing business in London - in particular, property costs and labour costs. Neither did the capital's transport network score highly.

London's regulatory regime was regarded as more favourable than those of Tokyo, Zurich, Berlin and Frankfurt.

Foreign Exchange Rates

Country	Sterling	Spot	1 month	3 month	D-Mark	Spot	1 month	3 month	Yen	Spot	1 month	3 month
UK	100.00				100.00				100.00			
Australia	2.0125	2.0125	2.0125	2.0125	1.6375	1.6375	1.6375	1.6375	163.75	163.75	163.75	163.75
Belgium	20.3600	20.3600	20.3600	20.3600	136.5000	136.5000	136.5000	136.5000	13650.00	13650.00	13650.00	13650.00
Canada	0.7125	0.7125	0.7125	0.7125	107.1250	107.1250	107.1250	107.1250	10712.50	10712.50	10712.50	10712.50
Denmark	10.4625	10.4625	10.4625	10.4625	166.0625	166.0625	166.0625	166.0625	16606.25	16606.25	16606.25	16606.25
ECU	1.4725	1.4725	1.4725	1.4725	107.1250	107.1250	107.1250	107.1250	10712.50	10712.50	10712.50	10712.50
France	6.5625	6.5625	6.5625	6.5625	166.0625	166.0625	166.0625	166.0625	16606.25	16606.25	16606.25	16606.25
Germany	2.0125	2.0125	2.0125	2.0125	166.0625	166.0625	166.0625	166.0625	16606.25	16606.25	16606.25	16606.25
Greece	166.0625	166.0625	166.0625	166.0625	166.0625	166.0625	166.0625	166.0625	16606.25	16606.25	16606.25	16606.25
Hong Kong	7.7500	7.7500	7.7500	7.7500	107.1250	107.1250	107.1250	107.1250	10712.50	10712.50	10712.50	10712.50
Italy	1.9375	1.9375	1.9375	1.9375	166.0625	166.0625	166.0625	166.0625	16606.25	16606.25	16606.25	16606.25
Japan	163.7500	163.7500	163.7500	163.7500	163.7500	163.7500	163.7500	163.7500	16375.00	16375.00	16375.00	16375.00
Malaysia	4.3750	4.3750	4.3750	4.3750	166.0625	166.0625	166.0625	166.0625	16606.25	16606.25	16606.25	16606.25
Netherlands	2.0125	2.0125	2.0125	2.0125	166.0625	166.0625	166.0625	166.0625	16606.25	16606.25	16606.25	16606.25
New Zealand	0.6875	0.6875	0.6875	0.6875	166.0625	166.0625	166.0625	166.0625	16606.25	16606.25	16606.25	16606.25
Norway	0.7125	0.7125	0.7125	0.7125	166.0625	166.0625	166.0625	166.0625	16606.25	16606.25	16606.25	16606.25
Portugal	20.3600	20.3600	20.3600	20.3600	136.5000	136.5000	136.5000	136.5000	13650.00	13650.00	13650.00	13650.00
Saudi Arabia	2.0125	2.0125	2.0125	2.0125	166.0625	166.0625	166.0625	166.0625	16606.25	16606.25	16606.25	16606.25
South Africa	0.6875	0.6875	0.6875	0.6875	166.0625	166.0625	166.0625	166.0625	16606.25	16606.25	16606.25	16606.25
Spain	166.0625	166.0625	166.0625	166.0625	166.0625	166.0625	166.0625	166.0625	16606.25	16606.25	16606.25	16606.25
Sweden	10.4625	10.4625	10.4625	10.4625	166.0625	166.0625	166.0625	166.0625	16606.25	16606.25	16606.25	16606.25
Switzerland	2.0125	2.0125	2.0125	2.0125	166.0625	166.0625	166.0625	166.0625	16606.25	16606.25	16606.25	16606.25
US	1.6375	1.6375	1.6375	1.6375	163.7500	163.7500	163.7500	163.7500	16375.00	16375.00	16375.00	16375.00

Other Spot Rates

Country	Sterling	Dollar	Country	Sterling	Dollar
Argentina	16.2500	100.0000	Chile	80.0000	100.0000
Brazil	16.2500	100.0000	Colombia	20.3600	100.0000
China	8.2750	100.0000	Czech Rep	20.3600	100.0000
Czech Rep	20.3600	100.0000	Egypt	20.3600	100.0000
Egypt	20.3600	100.0000	France	6.5625	100.0000
France	6.5625	100.0000	Germany	2.0125	100.0000
Germany	2.0125	100.0000	Greece	166.0625	100.0000
Greece	166.0625	100.0000	Hong Kong	7.7500	100.0000
Hong Kong	7.7500	100.0000	India	20.3600	100.0000
India	20.3600	100.0000	Indonesia	17.0000	100.0000
Indonesia	17.0000	100.0000	Iran	166.0625	100.0000
Iran	166.0625	100.0000	Israel	20.3600	100.0000
Israel	20.3600	100.0000	Italy	1.9375	100.0000
Italy	1.9375	100.0000	Japan	163.7500	100.0000
Japan	163.7500	100.0000	Korea	20.3600	100.0000
Korea	20.3600	100.0000	Malaysia	4.3750	100.0000
Malaysia	4.3750	100.0000	Netherlands	2.0125	100.0000
Netherlands	2.0125	100.0000	Norway	0.7125	100.0000
Norway	0.7125	100.0000	Portugal	20.3600	100.0000
Portugal	20.3600	100.0000	Saudi Arabia	2.0125	100.0000
Saudi Arabia	2.0125	100.0000	South Africa	0.6875	100.0000
South Africa	0.6875	100.0000	Spain	166.0625	100.0000
Spain	166.0625	100.0000	Sweden	10.4625	100.0000
Sweden	10.4625	100.0000	Switzerland	2.0125	100.0000
Switzerland	2.0125	100.0000	Taiwan	20.3600	100.0000
Taiwan	20.3600	100.0000	Thailand	20.3600	100.0000
Thailand	20.3600	100.0000	Turkey	166.0625	100.0000
Turkey	166.0625	100.0000	UK	100.0000	100.0000
UK	100.0000	100.0000	US	1.6375	100.0000
US	1.6375	100.0000			

Interest Rates

UK	Germany	US	Japan
Base	7.25%	5.50%	5.50%
Discount	5.00%	5.00%	5.00%
Prime	6.50%	6.50%	6.50%
Overnight	5.00%	5.00%	5.00%
3 month	5.00%	5.00%	5.00%
6 month	5.00%	5.00%	5.00%
1 year	5.00%	5.00%	5.00%

Money Market Rates

Overnight	1 week	1 month	3 months	6 months	1 year
UK	5.00%	5.00%	5.00%	5.00%	5.00%
Germany	5.00%	5.00%	5.00%	5.00%	5.00%
US	5.00%	5.00%	5.00%	5.00%	5.00%
Japan	5.00%	5.00%	5.00%	5.00%	5.00%

Liffe Financial Futures

Contract	Settlement	High	Low	Est. floor	Open
Long GB	102.88	102.88	102.88	102.88	102.88
Short GB	102.88	102.88	102.88	102.88	102.88
Long US	102.88	102.88	102.88	102.88	102.88
Short US	102.88	102.88	102.88	102.88	102.88

Life FTSE 100 Index Option

Series	Call	Put	Vol	Imp	Vol	Imp
5850	100	100	100	100	100	100
5900	100	100	100	100	100	100
5950	100	100	100	100	100	100

Commodity Indices

Index	Value	Change
Oil	100.00	0.00
Gold	100.00	0.00
Silver	100.00	0.00

Industrial Metals

Aluminum	Copper	Lead	Nickel	Steel	Zinc
100.00	100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00	100.00

Precious Metals

Platinum	Palladium	Silver	Gold
100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00

Agricultural

Wheat	100.00
Corn	100.00
Soybeans	100.00
Cotton	100.00
Wool	100.00
Gold	100.00
Silver	100.00
Platinum	100.00
Palladium	100.00
Rhodium	100.00
Iridium	100.00
Osmium	100.00
Ruthenium	100.00
Technetium	100.00
Rhenium	100.00
Vanadium	100.00
Chromium	100.00
Manganese	100.00
Iron	100.00
Cobalt	100.00
Nickel	100.00
Copper	100.00
Zinc	100.00
Gallium	100.00
Germanium	100.00
Arsenic	100.00
Selenium	100.00
Bromine	100.00
Krypton	100.00
Rubidium	100.00
Strontium	100.00
Yttrium	100.00
Zirconium	100.00
Niobium	100.00
Molybdenum	100.00
Technetium	100.00
Ruthenium	100.00
Rhodium	100.00
Palladium	100.00
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Radon	100.00
Francium	100.00
Radium	100.00
Actinium	100.00
Thorium	100.00
Protactinium	100.00
Uranium	100.00
Neptunium	100.00
Plutonium	100.00
Americium	100.00
Curium	100.00
Berkelium	100.00
Californium	100.00
Einsteinium	100.00
Fermium	100.00
Mendelevium	100.00
Nobelium	100.00
Lanthanum	100.00
Cerium	100.00
Praseodymium	100.00
Neodymium	100.00
Europium	100.00
Gadolinium	100.00
Terbium	100.00
Dysprosium	100.00
Ytterbium	100.00
Lutetium	100.00
Hafnium	100.00
Tantalum	100.00
Tungsten	100.00
Rhenium	100.00
Osmium	100.00
Iridium	100.00
Palladium	100.00
Silver	100.00
Cadmium	100.00
Indium	100.00
Thallium	100.00
Lead	100.00
Bismuth	100.00
Polonium	100.00
Astatine	100.00
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Francium	100.00
Radium	100.00
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Neodymium	100.00
Europium	100.00
Gadolinium	100.00
Terbium	100.00
Dysprosium	100.00
Ytterbium	100.00
Lutetium	100.00
Hafnium	100.00

Cecil aims to conquer Cape Verdi

By Greg Wood

AS BOTH punters and the connections of possible rivals yesterday digested the news that Cecil will run in the Derby, a week tomorrow, there was little obvious sign that the 1,000 Guineas winner will persuade many trainers that their best three-year-old colt should find an alternative engagement. The latest declaration stage for the Prix du Jockey Club (French Derby) at Chantilly on Sunday, an obvious second choice, passed without any significant additions from British yards, and the most significant development was the removal of Sadien from the French race. The colt is now expected to represent Henry Cecil at Epsom instead.

In some seasons, the news that Cecil had decided on his Derby runner would set off a run at the betting shops, but some Sadien appeared to reveal some rather obvious limitations when second to High-Rise in the Lingfield Derby Trial, odds of 33-1 and more are still freely available. It is encouraging, however, that Cecil is willing to send the colt to Epsom, since with not just Cape Verdi, but also King Of Kings, the 2,000 Guineas winner, and his stablemate Second Empire also on course for the Derby, some had feared that the race might cut up to no more than a dozen runners.

Other trainers too were finishing their classic plans yesterday, with Barry Hills booking Darryl Holland to ride the Glow-Worm in the Derby. Hills has famously yet to win the Derby despite filling any number of places in the frame, and the Glow-Worm is rated no better than a 40-1 chance to give him

his first success in eight years' time. His backers are not entirely without encouragement, however, since The Glow-Worm will be the only runner in the Derby field with a win over course and distance to his credit. Holland, meanwhile, steered the 150-1 chance Blues Traveller into third place for Hills five years ago.

Hills will also have a runner in the French Derby, where he will be represented by Prolix. Three more British-based colts are also expected to run at Chantilly, with John Dunlop's Rabah being joined by Mudcer and Central Park. One of last season's best juveniles, both of whom run in the royal blue of Godolphin.

Dunlop's best three-year-old, however, is Haami, who finished fifth behind King Of Kings in the 2,000 Guineas and reportedly worked well at Goodwood on Wednesday evening as part of his final preparations for the Derby. Accompanied by Silver Patriarch, last year's St Leger winner.

RICHARD EDMONDSON
NAP: Colwyn Ritz
(Ayr 3.50)
NB: Tasik Chini
(Bath 7.25)

ner, and Right Wing, Haami covered about a mile and a quarter of the Sussex track.

"It was a nice bit of work," Dunlop said. "They went a good gallop, and Haami came up on the outside and quickened up really well. What was nice was that Haami was settled and relaxed."

Haami could form 50 per cent of Hamdan al Maktoum's challenge for a third Derby, since Alec Stewart's Mutazam runner-up had a gentle workout yesterday morning, and a decision on whether he will run in the Classic will be taken before the next declaration stage tomorrow morning.

Ian Balding is far from amused by a newspaper report linking Pat Eddery to the Derby ride on Border Arrow. The trainer insisted that Roy Catterick, who found trouble in running when he partnered Border Arrow in the Dante Stakes at York, will ride him again in the Classic. Eddery, meanwhile, is still without a Derby booking.

First show

Wolverhampton 3.10	Home	C	H	L	S	T
1st Mile	1	2	3	4	5	6
2nd Mile	1	2	3	4	5	6
3rd Mile	1	2	3	4	5	6
4th Mile	1	2	3	4	5	6
5th Mile	1	2	3	4	5	6
6th Mile	1	2	3	4	5	6
7th Mile	1	2	3	4	5	6
8th Mile	1	2	3	4	5	6
9th Mile	1	2	3	4	5	6
10th Mile	1	2	3	4	5	6

McCoy out for three weeks

TONY MCCOY, the champion jockey who has ridden 253 winners this season, has become the latest big name to be ruled out of the last days of the jumps season. He joins Richard Dunwoody, Adrian Maguire, James Osborne, Paul Carberry, Andrew Thornton and Peter Niv-

en in sitting out the end of the campaign which closes tomorrow. McCoy, whose wins this term beat the previous record of 221 set by Peter Scudamore in 1988/89, injured his back in a fall in the Marlborough Cup last Sunday and is likely to be out of action for three weeks.

Results

AYR	2.20: 1. PIPES MAGIC (J F Spon) 20-1; 2. Henry Hill 5-1; 3. Milla Spang 5-4; 4. 6th Mile 1-1; 5. 7th Mile 1-1; 6. 8th Mile 1-1; 7. 9th Mile 1-1; 8. 10th Mile 1-1; 9. 11th Mile 1-1; 10. 12th Mile 1-1; 11. 13th Mile 1-1; 12. 14th Mile 1-1; 13. 15th Mile 1-1; 14. 16th Mile 1-1; 15. 17th Mile 1-1; 16. 18th Mile 1-1; 17. 19th Mile 1-1; 18. 20th Mile 1-1; 19. 21st Mile 1-1; 20. 22nd Mile 1-1; 21. 23rd Mile 1-1; 22. 24th Mile 1-1; 23. 25th Mile 1-1; 24. 26th Mile 1-1; 25. 27th Mile 1-1; 26. 28th Mile 1-1; 27. 29th Mile 1-1; 28. 30th Mile 1-1; 29. 31st Mile 1-1; 30. 32nd Mile 1-1; 31. 33rd Mile 1-1; 32. 34th Mile 1-1; 33. 35th Mile 1-1; 34. 36th Mile 1-1; 35. 37th Mile 1-1; 36. 38th Mile 1-1; 37. 39th Mile 1-1; 38. 40th Mile 1-1; 39. 41st Mile 1-1; 40. 42nd Mile 1-1; 41. 43rd Mile 1-1; 42. 44th Mile 1-1; 43. 45th Mile 1-1; 44. 46th Mile 1-1; 45. 47th Mile 1-1; 46. 48th Mile 1-1; 47. 49th Mile 1-1; 48. 50th Mile 1-1; 49. 51st Mile 1-1; 50. 52nd Mile 1-1; 51. 53rd Mile 1-1; 52. 54th Mile 1-1; 53. 55th Mile 1-1; 54. 56th Mile 1-1; 55. 57th Mile 1-1; 56. 58th Mile 1-1; 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Thirty years ago today Old Trafford's finest beat Benfica to win the European Cup. Ken Jones recalls a pivotal moment at Wembley

The night Busby met United's destiny

WHEN Matt Busby raised the European Cup amid scenes of great emotion at Wembley on 29 May 1968, few realised the parlous state into which Manchester United were falling.

Busby's aura, the genius of George Best alongside such notable figures as Bobby Charlton, Denis Law (who watched the match from a hospital bed), Pat Crerand and Nobby Stiles obscured issues that would send Manchester United into the Second Division within five years of their greatest triumph.

Although appearing recovered from grievous physical and emotional wounds inflicted by the Munich air disaster 10 years earlier, his reputation enhanced by the achievements of a rebuilt team, Busby in fact no longer possessed the energy to secure United's long-term future.

Supply lines were drying up and Busby's heart-felt warning - "Too much 'mind' could ruin the game" - spoke of the frustration caused in him by technical developments.

No tactician, Busby's strength was in deployment, his profound sense of the roles in which players were most likely to be effective. Coupled with a deep attachment to the beauty and romance of football it made Busby a great manager, the ultimate football man, but by 1968 he was presiding over the inertia that would put 25 years between Manchester United and their next League championship.

None of this registered with the army of supporters who descended on Wembley in the hope that Busby's vision - if overtaken by Celtic's ground-breaking conquest a year earlier - would at last be rewarded with the trophy he had cherished since 1956 after persuading Manchester United's directors to defy the Football League, who ruled against participation in the European Cup on the insular grounds that extra fixtures would seriously disrupt the domestic programme.

The years had rolled by, from the tragedy of 1958 to 1966 when United, down 2-0 from the first leg of a semi-final against Parisian of Beograd and without Best, were unable to make up the deficit at Old Trafford.

Another opportunity lost, an-



Painting the town red: Bobby Charlton (above) heads the ball past Benfica's Jose Henrique to score Manchester United's first goal in the 1968 European Cup final at Wembley. George Best (inset) celebrates with the trophy following United's 4-1 victory after extra time

other chance coming with the 1967 championship. Busby had sent out better teams, but perhaps this one would bring fulfilment.

Easily past Hibernians of Malta in the opening round, United then defeated Sarajevo of Yugoslavia to set up a quarter-final tie against the Polish champions, Gornik. Taking a two-goal lead to the Silesian coalfields, Busby making a rare concession to negative tactics, United hung on for a narrow aggregate victory. "There's a job of work to do he," he had said in the dressing room. "So let's do it properly."

Of all the clubs who have fought for the European Cup none did more to glamorize it than the present holders, Real Madrid, so when United were drawn against them in the semi-finals destiny seemed to be working overtime. If no longer the Real of Alfredo di Stefano (Busby's favourite player), Ferenc Puskas and Raymond Kopa, a great tradition ran strong in their blood.

Holding United at Old Trafford to one of Best's most breathtaking goals, Real almost battered them into submission two weeks later. Sent out with instructions to keep their heads

and protect the ball, still without Law whose right knee was badly swollen, United trailed 3-1 at the interval. Busby gambled. Releasing David Sadler from an auxiliary role in defence he gave orders to attack. "There's only one goal in it overall, so don't give up hope. Go back out with your heads up. Play your football. Let's get at them."

It wasn't so much that United improved but that Real lost their momentum. The pace slackened and at last Busby's team began to look tidy. Then Sadler scored to bring them level on aggregate. "A replay,

at least a replay," Charlton thought.

He was 50 yards behind the play when Best slithered past two men and made for goal. "I could see others trying to support George, including Bill Foulkes who seldom crossed the half-way line," Charlton recalled. "Bill kept running, no one picked him up, and when the ball came over he knocked it into the net. When the final whistle went it felt as though we'd won the European Cup and there were tears in our eyes when Matt and I embraced. How could we fail to win it after all we'd been through that night?"

Charlton felt it important that only three of the men chosen to face Benfica in the final had been signed from other professional clubs. "The lads who had played in Europe a long time all seemed to be there," he said many years later when we put a book together. "Bill Foulkes, Shay Brennan, Nobby. Then the younger ones, Johnny Aston and Brian Kidd. They were Manchester lads, so they knew what was expected of them. They had grown up with it all. Brian would have been about 10 years old at the time of the Munich accident."

Identifying Eusebio as an obvious

threat but confident that Stiles could do the job on him that he'd done for England against Portugal in the 1966 World Cup semi-finals, Busby gave attention to Benfica's other strengths: the influence of Coluna in midfield, Torres's heading ability and Simoes's scurrying pace.

Encouraged by the ease with which Aston got through Benfica's right flank United recovered from early nervousness for Charlton to put them ahead in the second half with a header from Sadler's centre so rare he imagined it coming as a shock to Busby, his mentor Jimmy Murphy, his family, his friends, his teammates, and the football world at large.

Not enough though to secure Busby's dream. Torres headed down for Graca to equalise and then a heart-stopping moment as Eusebio advanced on Alex Stepney. Instead of settling for simplicity Eusebio attempted a spectacular goal and the ball stuck in Stepney's large hands.

Extra time. The World Cup final all over again; only for Charlton and Stiles the faces of those lying on the ground alongside them were different. Busby's words echoed Alf Ramsey's. "Benfica are shattered. Look at them. We're in much better shape. We've got this far, now let's finish it."

Demoralised by Eusebio's miss, Benfica sank even lower when Adolfo's slip allowed a clearance from Stepney to reach Best. Wrong-footing Benfica's goalkeeper, Henrique, with a twitch of his shoulders and a flick of the hips, Best planted the ball into an empty net before wheeling away, right hand held aloft. Eusebio had been shown how it was done.

Kidd headed a third before providing the fourth for Charlton. As Busby stepped from the bench to embrace his players people wondered what images were passing through his mind: Duncan Edwards, Eddie Colman, Roger Byrne. "At last, we've done it," he said.

Busby and Charlton had kept faith with United's dead; Best had confirmed his genius. But the glorious unification of skill and spirit that brought Manchester United to fulfilment would dissolve in the acid truth of complacency that drove Best to brooding, self-destructive despair.

Resentment after glory for the anonymous legends

THEY were a disparate bunch of players, united by a mission that was accomplished on a sultry evening at Wembley. Thirty years on, they are a disparate bunch of middle-aged men, some of them enduring luminaries, some barely recognised. Even European champions are not immune to the star system, and so it is that while the revered triumvirate of Bobby Charlton, Denis Law - who actually missed the final through injury - and George Best continue to farm the glory, others eke out a living in relative obscurity.

A perceptible undercurrent of resentment should surprise no one. Football teams are no different from a thousand other microcosms of society in that regard. The trick in life is

to know your place and get on with it.

David Sadler, one of the brighter members of the 1968 Manchester United side, said: "I long ago came to terms with the fact that there were certain players who would always be the stars."

John Aston confounded everyone with the performance of his life against Benfica and now sells pet food and accessories. He maintains he wants nothing more to do with United, who released him and sacked his father, a former player, coach and scout.

Tony Dunne, one of the game's most admired full-backs, runs a golf driving range and harbours a sense of betrayal. He claims Matt Busby let him down over his testimonial and that

Three decades after scaling the heights of Europe, Derick Allsop finds changed fortunes for United's forgotten heroes

United had become a business rather than a football club.

Bill Foulkes, who along with Busby and Charlton survived Munich to realise the European dream, had to turn to America, Norway and Japan to stay in the game. Returned to Sale and the bosom of his family, he admits he envies today's players and the salaries they command.

"These guys are secure for the rest of their lives, most of them," he says. "I'm not bitter but I just feel we were exploited a bit. Over a five year period we made a real impact. We reached the pinnacle."

Sadler, Best's house-mate in their formative years, has a corporate hospitality business and organises the United's old boys' association. He also has a realistic perspective on his ability.

"I admit with regard to myself that you become a much better player than you ever were the older you get, and the further away from it you get. I know I was a reasonable player, but time glorifies things to a certain extent."

"What you can say is that we had some undisputed great players on our side - Charlton, Best, Crerand, Stiles and,

although he didn't play on the night, Law. And then in Tony Dunne we had the best full back around. Equally, you have to say that people like Schmeichel, Keane, Giggs and maybe Beckham would have been great players in our period. Cantona certainly would have been."

Stiles, the scourge of Eusebio in the 1966 World Cup semi final and again in the 1968 European Cup final, has made an unlikely niche for himself on the after-dinner circuit.

"I've never been happier," he says. "I never dreamed I could do anything like this, but it just shows. People around the country are lovely. They remember me with no teeth and the dance with the World Cup." Shay Brennan, the lovable

The team who conquered Europe

STEPNEY	DUNNE
BRENNAN	FOULKES
CRERAND	CHARLTON
SADLER	
BEST	KIDD
ASTON	

Irish-Mancunian, had a brief flirtation with management before building up a courier service in Waterford, which has been run by his wife Liz since he suffered a heart attack. He considers himself fortunate

to have made the United side and contents himself today with his golf and much practised socialising. "I would never have got into the first team but for the accident," he says. "I'll go to a function where Denis or Bobby is the chief guest and the MC will say 'we've got one of the greatest players of all time... did this... did that... and I stand up. I can get away with that.' Alex Stepney, who made that vital save from Eusebio near the end of normal time, has just experienced relegation to the Second Division as Manchester City's goalkeeper coach, while Brian Kidd, who celebrated his 19th birthday with United's third goal, is assisting Alex Ferguson's continuing quest for that huge trophy. Pat Crerand is a pugnacious

speaker and local radio pundit. Best is entertaining audiences worldwide with his repertoire and Charlton is... Charlton, the consummate ambassador for club and country.

Charlton was one of those unable to enjoy the triumph that evening. "I was completely dehydrated. I couldn't go to the reception. There was so many people I wanted to see, old players and parents of lads who died in the crash. My wife had to go on her own. She came back and said it was a pity I didn't make it because the Old Man had stood up and sung 'What a Wonderful World.'"

Derick Allsop is the author of *Reliving The Dream - The Triumph and Tears of Manchester United's 1968 European Cup Heroes*, published by Mainstream.

Owen confident he can take on the world

FROM his commentators' eyrie high in the Mohammed V Stadium on Wednesday evening, Trevor Francis watched Michael Owen torment Morocco's defenders and saw his own past and England's future.

A quarter of a century ago, Francis was the new wonderkid on the block. Given a first-team start at 16 by Birmingham, he scored 15 goals in 15 games including four in one match. Front and back page headlines followed and, although injuries delayed his England debut until he was 23, he went on to become Britain's first £1m player. Owen, having become, at 18,

England's youngest goalscorer on Wednesday, has already stolen five years on Francis and, yesterday, the Birmingham City manager was full of admiration.

"He is a unique talent, the sort that comes along once a generation," Francis said. "He follows George Best and Paul Gascoigne. When I first saw him playing for Liverpool I could not believe what I was seeing. I knew instantly that I was watching a future England international."

"What I like most is, after the Chile game [when he became England's youngest debutant this century] he went back

Trevor Francis, the teenage sensation of his era, sees a stunning future for England's youngest goalscorer. Glenn Moore reports

to his club and scored a hat-trick. He was completely unfazed by it."

That was apparent after the match as, in a gloomy corridor under the stadium, Owen held court surrounded by dozens of microphones. He was confident, but not arrogant, wide-eyed but not naive.

"I didn't feel nervous when the chance [a one-on-one] came," he said. "You have time

to think about it but those are the chances strikers thrive on. You do get a bit excited but you have to calm down and stick it in the net. It's instinctive."

"I find pressure brings the best out of you. I thrive on the opportunity to impress the manager. I've always set high standards for myself and expect to score. I'm not afraid of the World Cup. I'm confident of scoring at any level."

Before his goal Owen was accused of diving by the Moroccan after going down under a challenge in the box. "Not quite," was his response. "I was running through with the ball, trying to get my arm across him to have a shot at goal. He was grabbing my shirt and I wasn't sure if the ref could see but I'd have been a fool to stay on my feet. You don't dive - but if there is a penalty for the taking and the defender is doing something to give you that penalty it's being sensible [to go down]."

Cesare Maldini, the Italian coach, has named Owen as one of the three players who could

set the World Cup alight. Glenn Hoddle said that was an unfair burden on one so young but admitted he was excited by Owen.

So is Francis. "He has the ability to terrify defenders, especially now. There's never been a better time to be a forward. The game is now geared to forwards - which is why Manchester United have paid £10m for a defender, that would have been inconceivable before."

"Defenders used to be able to give you a whack early on and test you out, they would take it in turns, each just getting a lecture from the ref. Now it's a yellow card - and, in the World

Cup, a red. It means he brings fear to defenders, as he did against Morocco; they can't chatter him and they can't catch him."

While Hoddle sees Owen as a substitute, Francis would start with him. "He's the in-form striker," Francis said, "but I can see Glenn's point. It's no longer a game of two halves, it's a game of 60 minutes then one of 30 minutes and he can be so effective in that second game. These days teams work so hard at stopping you it is only then the game opens up. That is when Owen can be so deadly, when defenders start to tire."



Owen celebrates his goal against Morocco

Photograph: Allsport

Durie the major doubt for Scots

By Phil Shaw
in Washington DC

SCOTLAND left New York for the Capitol yesterday, fearful that their first-choice striking partnership of Kevin Gallacher and Gordon Durie will again be prevented from playing together in tomorrow's final World Cup warm-up match by the latter's troublesome hamstring.

Gallacher and Durie have not started a game as a pair in the four matches since Scotland beat Latvia last October to qualify for France98. They were due

to face Colombia at Giants Stadium last Saturday, only for the Blackburn player to miss out because of a severe stomach upset. Durie then limped off in the second half and is rated extremely doubtful for the match at the Robert F Kennedy Stadium.

The Scottish defence is likely to encounter a familiar face in the US line-up. Roy Wegerle, who scored more than 80 goals during a flamboyant decade in the English game, is set to spearhead the American attack just three years after a spate of injuries led him to the brink of retirement.

In fact, given the US coach Steve Sampson's devotion to an unorthodox 3-6-1 system, Wegerle will effectively be a one-man forward line at RFK. Now 34, the South African-born former Luton, Queen's Park Rangers, Chelsea, Blackburn and Coventry striker has emerged as the favourite to operate the lone attacker's role.

Wegerle's rivals are Eric Wynalda, of San Jose Clash, who will complete a century of caps if he appears against Colombia, and company, and Brian McBride, of Columbus Crew. Wynalda, the US's lead-

ing scorer of all time, underwent knee surgery last month and struggled in Sunday's 2-0 defeat of Kuwait. McBride sat out the game after suffering concussion in a 0-0 draw with Macedonia a week earlier.

Sampson confirmed after training at Fairfax, Virginia, yesterday that Wegerle was "likely to start". However, he is sufficiently concerned about his team's lack of scoring power to be considering dropping his third-string goalkeeper, the former QPR player Jürgen Sommer, in favour of an additional forward, Roy Lassiter.

THE Juventus striker Alessandro Del Piero passed a medical on his injured right thigh yesterday and is on course to play in the World Cup, an Italian team doctor said.

Del Piero picked up the injury in last week's European Cup final defeat to Real Madrid and feared he might miss the tournament. Italy's coach, Cesare Maldini, has named him only provisionally in his squad, pending fitness tests.

"There's a notable improvement in his right adductor muscle," the team doctor, Andrea Ferretti, said. "I can

confirm he's ready to start light training. We'll monitor his situation over the next few days and give him another full medical before we go to Sweden. So far, he's improving as we had hoped."

Italy play their final World Cup warm-up match against Sweden in Stockholm next Tuesday, the day set by Fifa, world football's ruling body, for coaches to finalise their squads for France.

The Parma striker Enrico Chiesa will travel to Sweden as cover for Del Piero and will take his place in the World Cup

squad if the Juventus player is unfit.

"The muscle feels much better than it did last week," Del Piero said at Italy's training camp at Coverciano near Florence. "For the first couple of days after the European Cup final I couldn't hide my disappointment - partly because we'd lost to Real Madrid and partly because I was injured. Now things look much brighter."

The Croatian defender Stjepan Tomas will not play in the World Cup due to a torn ligament. The news came as another blow to the coach,

Miroslav Blazevic, who has lost two of his top strikers, Alen Boksic and Igor Cvitanovic, this week.

Tomas, from Croatia Zagreb, suffered pain in his left knee earlier this week and the doctors discovered that the cruciate ligament was torn.

Blazevic also remained firm in his refusal to forgive Cvitanovic, after the striker refused to run extra training laps on Tuesday. "I cannot change my decision because it would jeopardize the team's principles of order and discipline," the coach said.

Wright's world ends in despair

Football

By Glenn Moore
in Casablanca

IAN WRIGHT flies back to England today with his international career, and his dreams of a starring role in next month's World Cup, over. After missing out on Arsenal's Double triumph through injury, this second blow in a month left even the effervescent striker deep in gloom.

Wright suffered a hamstring injury in Wednesday's victory over Morocco which will take at least two weeks to heal. As he was already struggling to regain full match fitness after six months of injury problems, Glenn Hoddle was forced to rule him out of France.

Wright's absence offers the likes of Les Ferdinand, who will probably start today's match against Belgium in Casablanca, a fresh chance but it robs England of a good squad man, capable of playing a part on and off the pitch.

At 34, Wright is unlikely to play for England again despite Hoddle's professed admiration for him. "I'm so disappointed, above all because I think England can go a very long way in this World Cup and I wanted so much to be part of that with the boys," said Wright, as he prepared to leave England's training camp in La Manga. "No manager has shown greater

faith in me than Glenn Hoddle. I can promise the boys that they won't have a bigger supporter in France or at home than me."

Wright's words were echoed by Hoddle. "I am very disappointed for Ian because he has worked so hard and made so much effort to get into the squad," the England coach said.

Wright played 31 times for England, scoring nine goals. Even though four of those came in one game against San Marino his record was respectable given that he only started 16 games and rarely played the full 90 minutes - he did so three times in 11 appearances under Hoddle.

His finest match was probably the selfless one in Rome when England achieved qualification with a goalless draw. Yet, had Christian Vieri converted Italy's last-minute chance, Wright might have been remembered for hitting the post a minute earlier at the other end.

With the emergence of Michael Owen, Wright's importance to England has declined in recent months and he is not among that core of players whose absence would seriously weaken England's chances. Even so, there was much sadness in the squad yesterday especially as Wright, having been left out of the 1992 European Championship squad when in prime form, never played in a major tournament and never gave up trying to be ready for this one.



The pain factor: Ian Wright in distress after suffering the hamstring injury which has ruled him out of France 98 Photograph: Shaun Bottrill/Allsport

With injury previously claiming Jamie Redknapp, Hoddle now has to cut just five more names by Monday. Six players - Ian Walker, Nigel Martyn, Rio Ferdinand, Rob Lee, Nicky Butt and Paul Merson - will await the unveiling of the team to play Belgium with special trepidation. None have so far played in this week's final trio of matches and the prospects look bleak for any left out today.

Paul Gascoigne will play some part but not the whole match. He urgently needs a better performance than he put in against Morocco. Hoddle, who exempted Darren Anderton and Dion Dublin from criticism

over the poor first-half passing in that game, picked out Steve McManaman's aggressive running, positional discipline and work-rate as one of the better aspects of the second.

McManaman added that something extra to an England side that has a tendency to appear pedestrian in midfield. Ironically, since he prefers a free role, his best work came after he was moved to the left flank in a 4-4-2 formation. Hoddle, having come to the job pledging to copy the German 3-5-2 method - with a sweeper, markers and wing-backs - has reluctantly begun to embrace four at the back.

Belgium, who lost a tepid

match 1-0 to France on Wednesday, will be useful opposition. Like England their strengths are solid defending and potent forwards, notably Luc Nilis and Luis Oliveira, a naturalised Brazilian playing for Fiorentina.

They are an aging team, which could give Michael Owen another chance to show his prowess as a substitute. "He can give you a different dimension when he comes on," said Hoddle. "He has two great assets, pace and the movement that comes from an understanding of the game. Very few players have both."

World-beater Owen, page 30

Real Madrid sack Heynckes

JUPP HEYNCKES, Real Madrid's coach, was fired yesterday - eight days after he led the team to their record seventh European Cup victory and first in 32 years.

Heynckes' departure was sealed in a secret meeting with Real's president, Lorenzo Sanz, yesterday. The German coach was not available for comment. Sanz said that victory in Europe's top competition did not compensate for the club's embarrassing performance in the domestic First Division. Their traditional rivals Barcelona won

the title and beat Real at home in November. Real finished fourth.

Silvio Berlusconi, the former Italian Prime Minister, was ordered to stand trial for tax fraud in connection with the 1992 transfer of the former Manchester United striker, Paul Ince, to Milan. Berlusconi and Milan's managing director, Adriano Galliani, are accused of sealing the deal by topping up Ince's £10m transfer fee with a £10m loan from Berlusconi's company, Berlusconi Finanziaria.

Fletcher warns Shearer pursuers

By Alan Nixon

NEWCASTLE'S chief executive, Freddie Fletcher, insisted yesterday that the England captain, Alan Shearer, is not for sale at any price. Shearer has been linked with Juventus and Barcelona, with the Italian giants reported to be considering a £22m offer.

But Newcastle yesterday issued a warning to any club hoping to lure Shearer away from Tyneside. "First and foremost Alan Shearer is not for sale," Fletcher said. "Let me stress once and for all that he is not leaving this club."

Arsene Wenger, the Arsenal manager, said he is not interested in signing the Italian World Cup veteran Roberto Baggio and has slammed as "crazy" the big-money sums surrounding the striker.

Liverpool's attempt to sign the German striker Sean Dundee may have to be settled by Fifa, football's world governing body, after Borussia Mönchengladbach claimed they have a written agreement with him.

Dundee has had a medical and agreed terms to join Rhy Evans's side, but now Borussia say the Karlsruhe striker signed a binding pre-contract with them. Brian McClair, given a free transfer by Manchester United, is being pursued by Motherwell, the club where he began his success story as a teenager.

Another former United player, Sammy McIlroy, is set to be named as the new manager of Burnley. McIlroy has guided Macclesfield Town to two successive promotions. Wulf Mannion, the former Scotland international, is set to seal the deal by topping up the £10m transfer fee with a £10m loan from Berlusconi's company, Berlusconi Finanziaria.

Erratic Pierce exits as the home support turns to j

Tennis

By John Roberts
in Paris

THE atmosphere at the French Open was distinctly damp and chilly yesterday, especially on the No 1 Court named in honour of the great Suzanne Lenglen, where Mary Pierce was derided by her adoptive fellow citizens. Jeers and whistles accompanied the No 1 seed's departure in the second round after she had failed to capitalise on a 5-1 first set lead against Magu Serna, of Spain.

Féted after reaching the

1994 final at Roland Garros and winning the 1995 Australian Open title, the 23-year-old Pierce has grown accustomed to ambivalence.

"I'd say I get more support everywhere else in the world than here," said Pierce, who was born in Canada to a French mother and an American father, and raised in Florida. "If I win, I'm the French Mary Pierce, and if I lose I'm the French American. It's not new. It's not the first time and probably won't be the last time, either, whatever I do here. It's no big deal."

Her popularity was not enhanced after she was dropped

from the French Fed Cup team in April by the captain, Yannick Noah. Pierce telephoned Noah from her home in Florida to say that she would be arriving in Gienat the day before a tie with Belgium. Noah told her to stay in America if she was not prepared to travel for pre-match training with the other players.

Pierce, whose preparation for the tournament was hindered by a pulled thigh muscle, which caused her to retire in the second round of an event in Berlin a fortnight ago. She did not offer this as an excuse for yesterday's erratic performance in losing, 7-5, 6-2.

Her only previous meeting with Serna, a talented 19-year-old from Las Palmas, was in the third round at Wimbledon last year. Pierce winning in straight sets. "I guess Magu's best surface is clay," she said. I have to give her a lot of credit today. She played a great match. She made very few unforced errors."

Asked if tension had caused her to lose seven games in a row after the first set had been within her grasp, Pierce said, "I don't think I can use any excuse there. It just means I can improve my game and she played a very good match."

Pierce's nine appearances at

the French Open have not been without incident. Her father, Jim, was banned by the Women's Tennis Association in 1993 after his disruptive behaviour at Roland Garros - and elsewhere on the tour. It was only recently that he was allowed to attend tournaments at which he was acting as a coach to a player.

As on Wednesday, rain-delays were a feature of the day's play. The 16-year-old Anna Kournikova advanced to the third round in Monica Seles's quarter of the draw, defeating Katarina Stadenikova, of Slovakia, 6-2, 7-6, and Arantxa Sanchez Vicario

continued to look dangerous in the lower half of the draw, dispatching the Romanian Catalina Cristea, 6-2, 6-4.

Between the showers, the upsets continued in the men's singles. Yevgeny Kafelnikov, the 1996 champion, seeded No 6 on this occasion, was eliminated in the second round by Sweden's Thomas Enqvist, 7-6, 7-6, 6-1. Enqvist, the world No 19, won the first set tie break, 12-10, the second set shoot-out, 7-4.

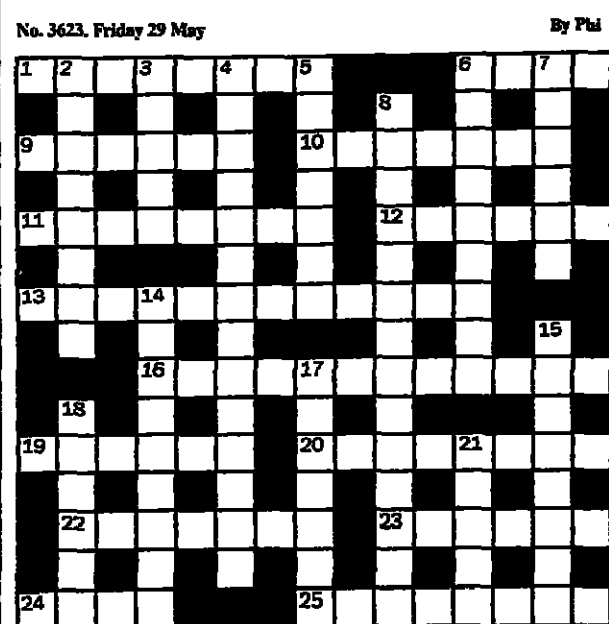
Thomas Muster, the 1995 champion, was in determined mood, giving a lesson in court craft to the promising young Ger-

man, Nicolas Kiefer, 6-2, 6-1, 6-3. Asked if he enjoyed beating members of the new generation, the 30-year-old Austrian said, "Yes, especially when they tell you you're not fit enough to play anymore after one set, which is what happened in Dubai."

Muster, who is among the clay-courtiers who will not be playing at Wimbledon this year,

local radio pundit, lining audiences, his repertoire he prepared (Baron, the jected Pete Saigador for year's French Open, at the stage where I those him on clay, so I rather that," he said. "He has game. His problem is everyone makes a big deal of it because it is the only one he hasn't won."

THE INDEPENDENT CROSSWORD



- ACROSS
- They're instrumental in putting stone through windows (3-5)
 - Examination suitable for rebellious youths of old? (4)
 - Conservative measure curtailed in Home Counties (6)
 - Chap in middle of ballet yet to be toppled? (3-4)
 - Egalitarian politician unexpectedly made court to ditch upper-class (8)
 - Long travel book (6)
 - Excellent! I'm placed on top (12)
 - Encountering Advent (a religious symbol) (6,6)
 - Move quickly, taking seconds to produce newspaper? (6)
 - Island where you'll see us dancing with energy (8)
 - Chemical showing excellent quality (7)
 - Mother in reduced circumstances working to get riches? (6)
 - Average chap injecting drug (4)
 - North-East yard sited possibly here? (8)
 - DOWN
 - What could produce a brusque shot? (8)
 - It'll provide a note in Op 1, possibly (5)
 - The moving quality of debate in verse? (6,2,6)
 - Place with vermin turned over for a beginning (5-2)
 - Links with religious men conveyed by post (4, 5)
 - Stamp on sale to appear less frequently (3,3)
 - Veteran politician shows conditions of trees on island? (5, 9)
 - Descriptive of geometry sorted out by dunce? A lie! (9)
 - Heavenly body (and what some would take for one?) (8)
 - Pay no attention to pollution of glen etc. (7)
 - Latest news: finished with boyfriend (6)
 - Calls sailor up, ditching first of auxiliaries (5)

Death of police escort rider cancels Tour of Britain stage

Cycling

By Martin Ayres

THE DEATH of a motorcycle policeman on the Prutour of Britain yesterday left competitors with no heart for racing, and there were no dissenting voices when race officials abandoned stage five from Birmingham to Cardiff.

PC Dave Hopkins, 41, had been riding five minutes ahead of the race, warning road users of the imminent arrival of the riders, when he was in collision with a car, receiving fatal injuries.

A member of the 35-strong Police National Escort Group, which is responsible for accompanying major cycle races, PC Hopkins, a father of four, was an experienced motorcycle escort rider, having worked on cycling events and royal visits.

News that a serious accident had occurred on the race route was relayed back to the main field just after it had raced through Worcester. 35 miles into the day's stage.

Officials stopped the race, and riders waited with their

team cars while an ambulance and police went to the crash site.

Chris Boardman, Britain's number one rider, said: "The riders were as devastated as anyone and were happy to go along with the organisers' wishes."

"Any sport that involves speed has an element of risk to it," Boardman added. "Tragically, from time to time there are accidents and that is what happened today. All of us, riders and police, are volunteers and are here because we want to be here."

Fatalities are surprisingly rare in cycle racing, the last time a competitor died in a major British event was in the 1970s when a Czech rider was killed in the Milk Race. His death led the organisers and police to increase the size of the escort team.

Fabio Casarotti's death in the Tour de France three years ago was the first in the Tour since Tom Simpson collapsed and died on Mont Ventoux in 1967.

For many on the race yesterday, the incident revived memories of the Prutour's predecessor, the Kellogg's Tour, in

1994 when a motorist evaded the police escort and drove into a group of riders, injuring three of them. The sponsorship ended shortly afterwards and British cycling was without a flagship event until Prudential launched their event this year.

Yesterday's fatality, together with the incident on stage three when the field was sent off course, raised concerns that the new Tour's future might be endangered. However, Clare Salmon, the Pru's consumer marketing director, insisted that the company would stick to its contract and back the event for the next three years.

The Prutour will recommence today when the 90 riders left in the race will hope to rekindle some enthusiasm for the 91-mile stage from Bristol to Reading. Yesterday's stint had been due to take in some severe climbs in South Wales which would have affected the overall standings decisively. Instead, racing resumes with 10 riders within 90 seconds of the overall leader, Stuart O'Grady, who should be capable of defending his advantage until Sunday's finale in Holborn, London.

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